

A Handbook of Economic Anthropology, Second Edition

Edited by

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Preface and acknowledgements

Those who work in economic anthropology are aware of the importance of the economy in public thought and debate. In retrospect, Adam Smith might well have titled his book *The health of nations*, for in our day, if not in his, it seems that the health of a country is defined by its wealth, just as the final judgement of an activity is its bottom line, how it gains or loses money. And overweening in our day is economics, whether the formal, theoretical economics of scholars like Howard Becker, the more applied economics of bodies like the Federal Reserve Board or the Bank of England, or the less rigorous economics of public thought and debate. This long-standing tendency has, of course, been strengthened by the financial crisis that began in 2007–08: what had been important begins to look urgent.

This state of affairs is likely both to exhilarate and to distress anthropologists who work on economy. It is likely to exhilarate because it points out the importance of what they study, which is, after all, economic life. It is likely to distress because the economic life that they see in their research often looks so different from the world construed by those theoretical, applied and popular economics. And the word ‘world’ is not simple hyperbole, for economics, talk of economy, touches on and assumes so much about human life: what it means to be a person, how people think and act, what value is and what is valued, how people relate to and deal with one another.

Perhaps the exhilaration, or maybe just the prospect of it, outweighs the distress. The end of history that was foretold with the fall of the Berlin Wall has not come to pass. The economic policies and assumptions that came to predominate in the United Kingdom and the United States, and the Washington Consensus that sought to make those policies and assumptions global, look much less secure panaceas than they did when they were presented, bright and shiny, by Ronald Reagan and Margaret Thatcher. The neoliberalism and free trade that characterised the World Trade Organisation, the World Bank and the International Monetary Fund attract significant dissent. The recent economic crisis has strengthened the growing doubts that many people had concerning the policies and programmes and ways of thinking that dominated in the closing quarter of the twentieth century. In such times, it is understandable that economic anthropologists would have some hope that their view of the world, the

world implied in their view of economic life, might stimulate those who think not just about the wealth of nations, but also about their health. Indeed, in the past decade there has been a minor boom in works by economic anthropologists that, explicitly or implicitly, challenge not just specific elements of conventional economic thought, but also the fundamental ways that it construes economic life and social life more generally.

Thus it is that the original edition of this handbook was timely, and that this revision is, perhaps, even more so. Saying this does not mean that dissent strides across each page, parading itself in capital letters. That is not the purpose of this work, which is one of reference rather than advocacy. Rather, what the contributors do in their chapters is present the texture of the subdiscipline's view of economic life. Moreover, that texture does not uniformly provide grounds for dissent: careful readers will see much that accords with conventional economic thought of one sort or another. However, those careful readers also will see that even the chapters that accord with that thought exhibit a more profound questioning. This questioning sees that thought not as a self-evident truth or a valid statement about human nature, but as a rough model that seems to work in specific areas of specific people's lives and, moreover, that seems to do so for social and political reasons. But this is to be expected of economic anthropologists, who are concerned not with the nature of economic thought and action in themselves, but with the place of economy in people's lives and thoughts.

As I said in the preface to the first edition, this handbook is unlike any project I have undertaken. This is true not only of its scope, but also of its purpose and intended readership. Those differences meant that I had to draw on the advice and knowledge of many people. Because this revised edition builds on the earlier one, my task has been easier, and experience has made it less alien. Even so, I remain indebted to people for their help and advice. Some of that was offered when I was thinking about what new topics should be covered in this revision and when I was thinking about replacements for authors whose press of work meant that they could not revise their chapters. That help and advice was especially important when I was considering the section on the financial crisis, which is new to this edition.

Many of the contributors to this volume, and many other people, were helpful with their thoughts and suggestions. However, as with the first edition, there were people who were especially helpful as I formulated my ideas and sought potential contributors, and they deserve special mention. They are Michael Blim, Chris Hann, Keith Hart and Bill Maurer. I hope that they are satisfied with the results of their help, and with my modest thanks.

Introduction

James G. Carrier

This is a handbook. So, it is not something that lays out a coherent argument in an extended form. Rather, it is a set of chapters that covers economic–anthropological work on specific topics and in specific regions of the world. At the same time, however, these chapters all revolve around economic anthropology. It seems appropriate, then, to include in this Introduction to the whole a presentation of what I think economic anthropology is, if only because this thinking has shaped the organisation of this handbook. Because this work is oriented to those unfamiliar with economic anthropology, and perhaps unfamiliar with anthropology, that presentation will cover some material that may seem common sense to those familiar with the subdiscipline or the discipline as a whole. Those who are not novices may want to skip the opening section of this Introduction and go to the section titled ‘Approaching economic life’. Those wholly familiar with the field may want to skip to the final section of this Introduction, which explains the orientation of this work.

Economy anthropologically

At the most basic, economic anthropology is the description and analysis of economic life, using an anthropological perspective. This is self-evident and not very helpful, so I want to explain briefly what ‘anthropological perspective’ and ‘economic life’ mean. What I write here is only a sketch of the terrain revealed more fully in the chapters in this handbook (and in a good summary history of the subdiscipline, Hann and Hart 2011), and as these chapters show, different subparts of economic anthropology address different aspects of economic life differently, as, of course, do different individual scholars. This divergence needs to be kept in mind. While much of what I say here refers rather blandly to ‘economic anthropology’, I write of tendencies that characterise the whole, which is the result of the interchange among different individuals and schools (many of which are presented in the chapters that make up this handbook). I think it best to consider economic anthropology as a collaborative, and combative, field, so that no one scholar need exhibit all the characteristics that I present.

The anthropological perspective approaches and locates aspects of people’s individual and collective lives, which is to say their lives and societies, in terms of how these aspects relate to each other in an interconnected,

though not necessarily bounded or very orderly, whole. The aspects at issue can be different elements or fields of people's lives, such as religious belief, consumption, household organisation, productive activities or the like. So, for example, an anthropologist might want to study how household organisation among a particular set of people is related to, say, religious belief, and vice versa (in an ideal world that anthropologist would want to know how all the elements of people's lives and societies are related to each other). As this suggests, anthropologists tend to want to see people's lives in the round or, to use a term that is common in the discipline, see those lives 'holistically'.

A different set of aspects of people's lives and societies is important as well, one that cuts across the sort of aspects I pointed to in the preceding paragraph. Anthropologists tend to want to know about the relationship between what people think and say on the one hand, and on the other what they do. These two aspects can have different labels as disciplinary interest and fashion change, but they can be cast as culture on the one hand and practice on the other. These can be approached to see the extent to which practices shape culture (and vice versa) and how they do so. This can be part of an effort to understand how, say, exchange practices affect people's understandings of the kin groups involved in exchange (and vice versa), or how, say, practices in brokerage firms affect people's understandings of stock exchanges (and, once more, vice versa).

However, there is another way that culture and practice can be approached: the differences between them can be important for helping the researcher to achieve a deeper understanding of the lives of the people being studied. For instance, if we talk to those who manage pension funds, we may hear them say that they evaluate investment firms carefully in terms of their performance before deciding whether to use them to invest a portion of the pension's funds. From this, we may conclude that fund managers are relatively rational calculators who use objective data to reach their decisions; after all, that is what they tell us, and it makes sense in terms of what everyone knows about investing money. However, we may observe that, once hired by fund managers, an investment firm is almost never fired, even if its returns are poor (see O'Barr and Conley 1992). This anomalous relationship between what people say and what they do can offer the researcher an insight into the nature of fund management that is more rewarding than what is available if we attend only to what managers say or to what they do.

What I have said thus far points to two further features of the anthropological perspective that are worth mentioning. The first of these is that the perspective is fundamentally empirical and naturalistic. It rests on the observation (empirical) of people's lives as they live them (naturalis-

tic). The discipline, at least in its modern form, emerged in the person of Bronislaw Malinowski, who taught at the London School of Economics early in the twentieth century. And he is the origin of modern anthropology because he carried out, and demonstrated the significance of, extended fieldwork; in his case, several years living in the midst of a set of people in what is now Papua New Guinea, observing and participating in their lives (see Malinowski 1922, 1926, 1935). Extended participant observation, empirical naturalism, has come to define the field. Thus, anthropologists are uneasy with the sort of experiments that have been common in social psychology, are found to a lesser degree in sociology, and that appear from time to time in economics. They might be intrigued by the finding that people in an experimental setting are willing to spend surrogate tokens of wealth to reduce the token holdings of some of their fellow experimental subjects (Zizzo and Oswald 2001). Given that it is based on experiment, this finding is empirical. However, because the experimental setting is precisely not naturalistic, anthropologists would be likely to take it as little more than an interesting idea that could be investigated through fieldwork.

The second further feature I want to mention is of a different order. In part because of the importance of extended participant observation and in part because of the concern to approach people's lives in the round, anthropologists generally are reluctant to think in terms of social laws and universals. Anthropologists have studied a large number of societies in different parts of the world, and have come up with almost no social laws that apply throughout specific regions, much less that apply globally. Put differently, anthropology tends to be an idiographic or particularising discipline, rather than a nomothetic or generalising one. As this might suggest, anthropologists tend to be unhappy with things like the assumptions that underlie the idea of utility maximisation. They are even unhappy with things like Adam Smith's (1976 [1776]: 17) famous assertion that there is 'a certain propensity in human nature . . . to truck, barter, and exchange one thing for another'. Certainly anthropologists would agree that people transact things, and indeed the study of such transactions is a central aspect of a great deal of anthropological work. However, they might well point out that this work indicates that people in different situations in the same society, not to mention in different societies, transact in different ways and understand what they are doing in different ways. Consequently, while they might well see the logic and attraction of generalisations and even universal laws, they would be prone to think that these are of little use in the practical disciplinary task of seeing how people live their lives: they would have to be qualified and elaborated so much in terms of local context that they would be almost unrecognisable as universals.

I have laid out some of the pertinent features of the anthropological perspective, through which economic anthropologists generally view economic life. I turn now, and more briefly, to the definition of that life common in economic anthropology. Economic life is the activities through which people produce, circulate and consume things, the ways that people and societies secure their subsistence or provision themselves. It is important to note, though, that 'things' is an expansive term. It includes material objects, but also includes the immaterial: labour, services, knowledge and myth, names and charms, and so on. In different times and places, different ones of these will be important resources in social life, and when they are important they come within the purview of economic anthropologists.

In other words, while some economists have identified economic life in terms of the sorts of mental calculus that people use and the decisions that they make (for example, utility maximisation), which stresses the form of thought of the person being studied, most economic anthropologists would identify it in terms of the substance of the activity; even those who attend to the mental calculus are likely to do so in ways that differ from what is found in formal economics (for example, Gudeman 1986; Gudeman and Rivera 1991). This substance includes markets in the conventional sense, whether village markets in the Western Pacific or stock markets in the First World. However, these markets are only a subset of economic life, and in accord with their tendency to see the interconnections in social life, economic anthropologists tend to situate things like markets or other forms of circulation, or production or consumption, in larger social and cultural frames, in order to see how markets, to continue the example, affect and are affected by other areas of life.

This contextualisation operates at a more general level as well. So, while anthropologists would recognise the growing importance of the economy in how people in Western societies understand their world over the past couple of centuries (Dumont 1977), they would not take the nature of 'the economy' as given or its growing importance as self-evident (for example, Carrier 1997; Carrier and Miller 1998; Diley 1992; Friedland and Robertson 1990). This indicates that for many economic anthropologists, it is not just economic life that merits investigation. So too does the idea of economy, its contents, contexts and saliences, and the uses to which it is put.

Approaching economic life

In the preceding paragraphs I have sketched conceptual aspects of the ways that economic anthropologists approach economic life. The main features of this are the concern to place people's economic activities, their thoughts and beliefs about those activities and the social institutions

implicated in those activities, all within the context of the social and cultural world of the people being studied. This reflects the assumption that economic life cannot be understood unless it is seen in terms of people's society and culture more generally. However, the subdiscipline's approach to economic life has more aspects than just the conceptual. Here I want to describe some of these, beginning with what I shall call 'methodology'.

Economic anthropologists approach the relationship between economic life and the rest of social life in different ways, but these can, without too much distortion, be reduced to two broad types, the individual and the systemic. While these types characterise the subdiscipline as a whole when viewed over the course of time, their visibility has varied historically and, to a degree, it has varied among different national anthropological traditions.

The individualist methodology, as the label indicates, approaches the relationship of economic and social life through the study of the beliefs and practices of individual members of the group being investigated. This individualist method is old, for it characterises the work of the man who, I said, is arguably the founder of modern anthropology, Malinowski. His most famous book is *Argonauts of the Western Pacific* (Malinowski 1922); its focus is economic life, exchange in the Trobriand Islands of eastern Melanesia; through it Malinowski sought to challenge important elements of popular-economic thought in his day. To say that Malinowski's methodology in *Argonauts* was individualistic is not to say that he described Trobriand Islanders independent of their society and culture. Rather, what marks his methodology as individualistic is the way that he portrays the focus of the book, which is a form of the ceremonial exchange of valuables called the *kula*. Malinowski portrays the typical activities that make up the typical stages of the typical *kula* exchange, and this typicality is cast as what the typical *kula* exchanger does. Trobriand economic life and its relationship to society more generally, or at least this aspect of them, are construed and presented in terms of the individual islander writ large. Moreover, as Jonathan Parry (1986: 454) notes in his discussion of Malinowski, in *Argonauts* the *kula* exchange system is presented in terms of what are 'essentially *dyadic* transactions between *self-interested individuals*, and as premised on some kind of *balance*' (original emphasis).

While this individualistic methodology is old in anthropology, the other, the systemic methodology, characterises one of the key forebears of the discipline, Émile Durkheim (for example, 1951 [1897], 1965 [1915], 1984 [1893]). One of Durkheim's important goals was to establish sociology as an academic discipline in France, and to do so he argued that society is more than just a collection of individuals (or even Malinowskian individuals writ large). Rather, he treated society as a superordinate system or

set of interrelated parts, with properties of its own. In this he was doing what Malinowski was to do later, challenging important elements of the popular-economic thought of his day, though he did so in a very different way. His methodology, like his challenge, is most apparent in *The division of labour in society* (1984 [1893]). The title says it: individuals do not have a division of labour, groups or societies do. In this work, Durkheim classified societies in terms of the degree of their division of labour, which he related to a range of other societal attributes, especially their legal systems.

Durkheim's systemic methodology influenced anthropology directly through his own works, and also through the writings of his nephew, Marcel Mauss, especially in *The gift* (1990 [1925]). A more recent example of this methodology is in *Maidens, meal and money*, by Claude Meillassoux (1981). In this book, Meillassoux addresses, among other things, the question of the nature of village societies in colonial Africa, societies that he views as systems and as explicable in terms of their relationships with other systems. He argues that the village and the colonial orders are in a symbiotic relationship. In other words, it is the interest of colonial governments and firms in inexpensive labour of a certain sort that leads to a relationship between urban and village sectors in colonial Africa that brings something that looks very close to the creation of 'traditional villages', with their kinship and age structures, exchange systems and the like (a similar argument is in Carrier and Carrier 1989).

I said that the individualist and systemic methodologies vary in their visibility in economic anthropology. This variation is a consequence of the fact that economic anthropologists are affected by larger currents within anthropology and the larger world. Broadly, though, American economic anthropology has tended toward the individualist pole. British anthropology, more heavily influenced by Durkheim, tended toward the systemic pole until the 1980s, at which time the individualist methodology became popular. As well, there have been differences among different schools of anthropology: structural functionalism, predominant in Britain for decades but also apparent in some American anthropology, tends to a systemic approach, as do the Marxist and political-economic schools within the sub-discipline.

The differences among economic anthropologists that I have presented thus far are cross-cut by others, two of which I want to mention. These concern the scope of analysis and the structure of the field.

Like its parent discipline, economic anthropology is based on the empirical naturalism of sustained fieldwork. Historically, this has been expressed in the ethnographic monograph, of which Malinowski's *Argonauts* is an excellent example, in which the author presents a sustained and detailed description of the set of people being studied. However, the attention to

local detail expressed in descriptive ethnography has always been complemented, albeit in varying degrees, by a more encompassing concern with regional variation. How do these people resemble or differ from other people, whether near by or more distant?

Several decades ago, A.R. Radcliffe-Brown laid out the difference between these two forms of anthropology, and what he said applies as well to economic anthropology. He drew a distinction between ethnography and what he called 'comparative sociology': 'a theoretical or nomothetic study of which the aim is to provide acceptable generalisation' (Radcliffe-Brown 1952: 3). While detailed ethnography may characterise the discipline in the eye of outsiders, the comparative element has always been present and influential. However, this comparative element often sits uneasily in a discipline the members of which establish their credentials through their ethnographic knowledge and publications concerning a place that is different from others.

The structure of the field is a different matter. Members of the subdiscipline, like anthropologists generally, are influenced by two different intellectual orientations. One of these springs from the ethnographic context. By this I mean not the particular place where the researcher has done fieldwork, but the ethnographic region where that place is located: Lowland Latin Americanists think about things differently from East Asianists. The cause may lie in differences between different parts of the world; alternatively, it may lie in differences in the interests and approaches of influential researchers and publications concerned with different regions. But whatever the cause, there are clear differences between the topics that are important in the anthropology of different regions. If this were all there is, of course, the discipline would fall apart, dissolving into groups focused on different parts of the world. This is prevented, in part, by the second orientation I want to mention. That is the intellectual models and arguments that become fashionable generally within the discipline. When the relationship between kinship and political influence, or the difference between gifts and commodities, is in the air, specialists in different regions can and do talk to each other about it, and ethnographic work on a particular region can cross the regional boundary and be read more widely.

Orientation of this work

I have devoted some pages to describing features of the discipline and subdiscipline. I have done so because this handbook is intended to make sense to those outside of anthropology. As well, the desire to have it make sense has led to certain judgements about how the work should be organised and about how chapter authors ought to be encouraged to frame their contributions.

The work as a whole has been divided into a number of parts, each of which has its own brief introduction. I chose this way of doing things because I thought that an orderly presentation would help the whole to be more accessible to readers. This is important if the result is to convey a sense of the subdiscipline as a whole. Concern for accessibility shaped as well the guidance given to contributors. They were urged to remember that readers would not be fellow economic anthropologists, and frequently not anthropologists at all. So, they were urged to avoid specialist terminology as much as possible. As well, they were urged to focus their contributions on a handful of themes pertinent to their specific topics, so that readers would get a sense of the overall orientation of work on a topic rather than be confronted with a less comprehensible welter of details. Finally, they were urged to leaven their thematic presentation with descriptive material, to make the analytical points at issue clearer to those who had not spent years reading and thinking about the analytical issues involved. The result of all of this is that chapter authors could not say all that they wanted to about their topics. However, they have presented the central features, and their presentations can be read by those other than their fellow specialists.

Throughout this Introduction I have pointed to the diversity within economic anthropology, and this handbook reflects that diversity. The overarching analytical orientations considered in Part I give way to more descriptive material in the Parts II and III, which present work on the core elements of economic life (Part II) and on a feature of those elements that has been of especial interest to anthropologists, circulation (Part III). Part IV addresses the social contexts and correlates of economic life, such as religion, gender and the like. Part V deals with specific and important contemporary issues in economic anthropology, such as the nature of peasants, the relationship between anthropology and development, and so forth. Part VI describes work on different ethnographic regions. Of course, not all ethnographic regions can have their own chapter, and I have selected those for which scholarly work has been most influential in economic anthropology and in the discipline as a whole. Finally, Part VII, new to this edition, is about the recent economic crisis. As I explain in the introduction to Part VII, the chapters in it are not intended to present summary descriptions of work on a topic, but rather present different ways that economic anthropologists have thought about that crisis, the questions that they ask and the approaches that they take.

I hope that the result will serve a range of different readers, however imperfectly. This includes readers who are interested in what economic anthropology has to say about a specific topic, readers who are interested in the intellectual foundations of the subdiscipline, those interested in a

specific region, and those interested in the orientation and nature of the subdiscipline as a whole.

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PART I

ORIENTATIONS

The first set of chapters in this handbook presents basic approaches and orientations to economic life found in economic anthropology. The first four chapters present established positions within the subdiscipline, and all locate economic life firmly within its broader social and political context: even Ortiz's chapter on decisions and choices shows how these cannot be understood without close attention to the contexts in which they are made. The final two chapters in this part cover relatively new orientations. Narotzky describes an approach focused on the factors affecting the ways that households provision themselves, one which situates households in something like a commodity chain. The final chapter presents a view of economy that relates people's understandings of and transactions involving objects to their understandings of themselves as a group and of their relationships with other groups.

1 Karl Polanyi

Barry L. Isaac

Karl Polanyi was a Hungarian lawyer turned journalist and economic historian whose reading of anthropology, especially the writings of Bronislaw Malinowski and Richard Thurnwald, led him to produce work that made major contributions to economic anthropology, classical Greek studies and post-Soviet Eastern European social policy. (This last reflects his lifelong devotion to the question of individual freedom in industrial societies; Polanyi 1936, 1944: 249ff.) In fact, the concepts he developed with the aid of anthropology, and for which he is known in that discipline and in classical studies, were intended as tools for analysing industrial societies and especially for explaining the causes of the Great Depression and the fascism of the 1930s and 1940s (see Goldfrank 1990). His larger aim was to lay the groundwork for a general theory of comparative economics that would accommodate all economies, past and present (see Polanyi 1957; Halperin 1988, 1994a; Stanfield 1986, 1990). His contributions to classical studies fall outside this chapter (see Dale 2010: 137–72; Duncan and Tandy 1994). In anthropology, his influence was great during the 1960s and 1970s; subsequently, his work became strongly identified with the ‘substantivist’ side of the strident and irresolvable ‘formalist–substantivist’ debate, and his prominence faded when the formalists largely won the day.

Polanyi’s master work was *The great transformation* (1944), in which he analysed the emergence and (in his view, disastrous) consequences of a new type of economy, market capitalism, first in England during the early nineteenth century and then in the rest of the industrialising world and its global extensions. This new economy was unique in being *disembedded* from the social matrix; in ideal form, at least, it commercialised and commoditised all goods and services in terms of a single standard, money, and set their prices through the self-adjusting mechanism of supply and demand. At all previous times, in contrast, ‘man’s economy . . . [was] submerged in his social relationships’ (Polanyi 1944: 46), and the factors of production were neither monetised nor commoditised. Instead, access to land and labour was gained through ties of kinship (birth, adoption, marriage) and community. Many pre-capitalist economies had marketplaces, but they did not have self-regulating, supply-and-demand market economies. Similarly, many employed money, but only in transactions involving a limited range of goods and services.

By commoditising not only goods but also labour ('another name for a human activity which goes with life itself') and land ('another name for nature'), the disembedded capitalist (market) economy of nineteenth-century England threatened to remove 'the protective covering of cultural institutions', leaving the common people to 'perish from the effects of social exposure' (Polanyi 1944: 72–3). Accordingly, the nineteenth and twentieth centuries saw a 'double movement': first, the disembedding of the economy under the self-regulating market, then the emergence of countermeasures 'designed to check the action of the market relative to labor, land, and money' (1944: 76). These countermeasures accomplished their purpose politically, by partially re-embedding the economy, typically culminating in state socialism or the welfare state.

The Polanyi group's major concepts

During the 1950s and 1960s, Polanyi and his academic followers, especially anthropologists, developed a set of conceptual tools for analysing pre-capitalist, embedded economies. Their touchstone was Polanyi's (1957: 243) specification of 'two root meanings of "economic," the substantive and the formal':

The substantive meaning of economic derives from man's dependence for his living upon nature and his fellows. It refers to the interchange with his natural and social environment, in so far as this results in supplying him with the means of material want satisfaction.

The formal meaning of economic derives from the logical character of the means–ends relationship, as apparent in such words as 'economical' or 'economizing'. It refers to a definite situation of choice, namely, that between the different uses of means induced by an insufficiency of those means.

Polanyi (1957: 243) argued that these two meanings of the term 'have nothing in common':

The latter [formal meaning] derives from logic, the former [substantive meaning] from fact. The formal meaning implies a set of rules referring to choice between the alternative uses of insufficient means. The substantive meaning implies neither choice nor insufficiency of means; man's livelihood may or may not involve the necessity of choice and, if choice there be, it need not be induced by the limiting effect of a 'scarcity' of the means.

The substantive meaning alone is useful for comparative economics, Polanyi argued, because 'formal economics' is applicable only to 'an economy of a definite type, namely, a market system' (1957: 247), in which livelihood routinely involves choice arising from an insufficiency of means (economising). 'This is achieved by generalizing the use of price-making

markets' (1957: 247), on which almost all goods and services (including land, labour and capital) are purchasable and from which all income (including wages, rent and interest) is derived. Thus, livelihood in market economies necessarily involves both buying and selling, and economic means as well as ends are necessarily quantified as money prices. In short, such an economy is 'a sequence of acts of economizing, i.e., of choices induced by scarcity situations' (1957: 247), and so is amenable to analysis by 'formal economics'.

All economies have mechanisms of distribution, but only market (capitalist) economies are integrated (primarily) through 'exchange' on price-setting markets. All earlier economies were integrated, instead, mainly through reciprocity and redistribution, even if they had marketplaces. 'Reciprocity denotes movements between correlative points of symmetrical groupings; redistribution designates appropriational movements toward a center and out of it again; exchange refers here to vice-versa movements . . . between "hands" under a market system' (Polanyi 1957: 250). Market (capitalist) economies typically display all three mechanisms; chiefdoms and non-capitalist states, redistribution as well as reciprocity; acephalous primitive societies, only reciprocity. Polanyi (1944: 53–4) left largely undeveloped a fourth integrative principle, householding, 'production for one's [household's] own use', which occurs 'only on a more advanced level of agriculture' but before capitalism (see Gudeman chap. 6, *infra*). It was prominent in such 'archaic' states as eighteenth-century Dahomey (Polanyi and Rotstein 1966: 70ff.) and was still observable in the mainly self-provisioning peasant economies of the early twentieth century. Although such peasants typically sold some goods on price-setting markets and periodically worked for wages, market principles fed back upon production decisions only weakly, 'because [self-provisioning] labor and land do not enter the market and basic livelihood is acquired in non-market spheres' (Dalton 1967b: 75; see also Halperin 1991, 1994b; Halperin and Dow 1977).

In short, the mere presence of marketplaces does not necessarily signal a market (capitalist) economy, nor does the mere presence of money. Many pre- or non-capitalist economies had 'moneystuff', but it was *special-purpose money*, rather than the *general-purpose money* that serves as a uniform standard throughout market economies. Because special-purpose money (and the goods or services it purchased) circulated in only part of the economy, pre-capitalist economies were *multicentric*, having two or more 'spheres of exchange'; in contrast, capitalist (market) economies are by definition *unicentric*, because everything, even the factors of production, circulates in an economy unified by the market principle and the universal solvent, general-purpose money (see Piot 1991; Sillitoe 2006).

The Trobriand substantive economy

Malinowski's famous ethnographies of the Trobriand Islands were a major early influence on Karl Polanyi (Malinowski 1922, 1935; see also Weiner 1988; see Strathern and Stewart chap. 14, *infra*). The following outline of Trobriand economy shows why the Polanyi group felt that new, 'substantive' tools were needed for the analysis of pre- or non-capitalist economies, and the kinds of applications they proposed for these tools.

Trobriand economy had three spheres of exchange: subsistence, prestige and *kula*. The main item in the subsistence sphere was the ordinary yam, along with common crafts and pigs (although arguably these last could be placed in the prestige sphere). The yams served two money functions. Within the subsistence sphere, but not in the rest of the economy, they were a medium of exchange. More generally, they were a major mode of non-commercial payment for fulfilling kinship and political obligations, such as tax. The paramount chief had a wife from each village and was brother-in-law to its men, who collectively owed him an annual payment of yams, just as each did to his true sister's husband. Yams also had to be presented at certain points in funerals and marriage arrangements. The stuffs of this sphere (yams, craft goods, pigs) periodically were converted upwards into the banana-leaf bundles of the women's prestige subsphere, and pigs could occasionally be converted upward into relatively new, low-prestige *kula* shells.

The Trobriand prestige sphere can be divided into women's and men's subspheres. The former had only two items, bundles and skirts made from banana leaves. All adult women made both items, and both had money functions. Bundles were a medium of exchange in that they could be converted downward into the stuffs of the subsistence sphere, but not into the men's prestige subsphere or upward into the *kula* sphere. Mainly, though, the bundles and skirts were a mode of non-commercial payment. A woman was obligated to give skirts to her brother's wife upon the latter's marriage, and both bundles and skirts were important in mortuary payments. Women of the deceased's matrilineage competed with one another in giving huge quantities of these items to their affinal kin (especially to the deceased's spouse, father and father's sisters), who bore the main burden of public mourning. These latter had to dispel potential accusations of sorcery (thought to cause almost all deaths) through punctilious mourning, while the former wanted to make their matrilineage look strong in the face of the sorcerer's success. 'The key to finding large amounts of bundles is a woman's husband . . . Because a woman and her husband receive yams from her brother every year, her husband must help her find bundles whenever someone [of her matrilineage] dies' (Weiner 1988: 119–20). He did so by an upward conversion of his subsistence-sphere items (yams, pigs, craft goods) into bundles.

The men's prestige subsphere contained stone axe-blades, large clay pots, display yams, boars' tusks, certain kinds of canoes, lime spatulas, shell belts, magical spells, sorcerers' services and perhaps more items prior to European contact. Their money function was limited to modes of non-commercial payment, mainly with the axe blades. These were used as a marriage payment (bridewealth initially and sporadic gifts thereafter for the duration of the marriage), as blood compensation for homicide, as the final funerary payment to the deceased's spouse and father, and as the annual prize given by the paramount chief to the grower of the largest yams. Some of the items of this subsphere could be converted downward into pigs, but they could not be traded for women's skirts and bundles; whether any could be converted upward into *kula* valuables is unclear.

The *kula* sphere comprised two kinds of men's heirloom shell valuables, armshells and necklaces, which were exchanged by hereditary *kula* partners on a chain of islands about 700 miles, about 1,100 km, in circumference. There was a parallel, secondary barter trade in utilitarian items (foodstuffs, raw materials, manufactures), made possible by the ceremonious *kula* linkages. The extent of the connection of the inter-island *kula* exchanges with Trobriand domestic economy is unclear, but it appears that *kula* shells were occasionally converted downward into pigs (subsistence sphere) or to meet men's obligations (for example, bridewealth, blood compensation) in the domestic prestige sphere.

In sum, traditional Trobriand economy had three spheres of exchange, each with its own goods and (in two cases) moneystuffs. Goods moved mainly within their appointed spheres through *reciprocity* governed by the ethics of kinship and hereditary partnership. In addition, the paramount chief was the focal point of *redistribution*; some of the yams he received through formal taxation, as well as the pigs, coconut and betel he commandeered by right of eminent domain, were expended in public feasting or in supporting *kula* expeditions. Although goods of all types moved widely and frequently in Trobriand economy, there was no price-setting market principle; even fixed marketplaces seem to have been absent. Furthermore, neither land nor labour could be purchased or rented; these factors of production were inextricably embedded in the matrix of hereditary kinship, overseen lightly by chiefly eminent domain.

The formalist response

Starting in 1966, a formalist school of economic anthropology arose in opposition to the Polanyi group's substantivist school (see Cook 1966a, 1966b, 1969; LeClair and Schneider 1968; Schneider 1974). The formalist attack was two-pronged: (i) that the models developed by microeconomics were universally applicable and, thus, superior to substantivism for both

economic anthropology and comparative economics; and (ii) that economic anthropology was no longer primarily concerned with the kinds of economies (primitive, 'archaic' state, peasant) for which the substantivists' tools were developed.

Scott Cook, launching the formalist–substantivist debate, characterised economic anthropology as being split between formalists 'who believe that the difference between Western-type market and primitive-subsistence economies is one of degree' and substantivists 'who believe it is one of kind' (Cook 1966a: 327). Harold Schneider (1974: 9), who eventually became the dominant figure in the formalist school, stated it this way: 'The unifying element among . . . formalists is, in contrast to substantivists, the partial or total acceptance of the cross-cultural applicability of formal [microeconomic] theory'.

The underlying methodological question was that of the proper unit of analysis. Because the formalists focused upon choice, which is always individual, their approach necessarily entailed methodological individualism. The substantivists, on the other hand, focused upon the institutional matrix in which choice occurs (see Cancian 1966: 466).

Maximisation was a key concept for the formalists, as microeconomic models assumed that the economic choices made by individuals were intended to maximise, or at least optimise, utility. Substantivists, on the other hand, dismissed maximisation as irrelevant or inapplicable to a truly comparative economics. 'Patterned responses (or processes) in cultural systems cannot be accounted for by methodological individualism . . . [which likewise] cannot explain why cross-cultural differences or similarities occur' (Halperin 1994a: 13). Furthermore, 'if we posit the same rational, utilitarian motives to individuals in all cultures . . . all economic processes in all cultures would appear to be identical' (1994a: 13), leaving the patent cross-cultural differences in economic institutions unexplained (see Isaac 1993: 223–5, 1996: 314–17, 329–32). Why, for instance, does one society define and maximise wealth in terms of outstanding reciprocal obligations, whereas another does so in terms of purchasing power to acquire material possessions? More generally, all economies have certain common features – 'exchanges, allocations, transfers, and appropriations of resources, labor, produce, and services' – yet they differ in 'how resources are directed to specific uses, how production is organized, and how goods are disposed of – in short, how the economy is instituted' (Dalton 1968: xvi, after Polanyi 1957). Overlooking such differences leads us into the trap of false equations: 'To call a cat a quadruped, and then to say that because cats and dogs are both quadrupeds I shall call them all cats, does not change the nature of cats. Neither does it confuse dogs; it merely confuses the reader' (Dalton 1966: 733–4; also see Sahlin 1960).

The formalists also argued that a deeper philosophical issue, induction versus deduction, lay behind the formalist–substantivist debate (Cook 1966b). Within this framework, Cook (1966a: 327) characterised the substantivists pejoratively as ‘romanticists’:

The Formalists . . . focus on abstractions unlimited by time and place, and . . . are prone to introspection or are synchronically oriented; they are scientific in outlook and mathematical in inclination, favor the deductive mode of inquiry, and are basically analytical in methodology . . . The Romanticists . . . focus on situations limited in time and space, and . . . are prone to retrospection or are diachronically oriented; they are humanistic in outlook and nonmathematical in inclination, favor the inductive mode of inquiry, and are basically synthetic in methodology . . . [T]he concern [here] will be to link Polanyi and his followers to the Romanticist tradition.

That the debate could be cast in terms of humanists (substantivists) versus nomothetical scientists (formalists) reveals why it could not be resolved. In a nutshell, it involved philosophical issues that are larger than economic anthropology or even anthropology as a whole. The kinds of oppositions that structured the formalist–substantivist debate are irresolvable social science perennials. Tom Campbell (1981) delineated five of them: idealist–materialist, descriptive–normative, individualistic–holistic, conflict–consensus and positivist–interpretative. Elman Service (1987) pointed to eight such ‘bifurcations’ in the history of anthropology, including positivism–humanism, comparative method–holism, generalisation–particularism and evolution–relativity. In economics, similar oppositions exist between institutionalists and conventional microeconomists (see Dowling 1979; Neale 1990; Stanfield 1986: 18, 132ff.). None of these tensions can be resolved in an either–or manner, whether philosophically, methodologically or analytically, except in relation to specific research problems or as a matter of personal preference.

Cook’s use of the pejorative ‘romanticist’ to characterise the substantivists signals the debate’s second dimension, alluded to earlier. While Cook accepted substantivism as ‘one meaningful approach’ to the study of ‘extinct’ and ‘primitive’ economies, he rejected it on the grounds that economic anthropology no longer concerned itself primarily with such economies, which were ‘rapidly disappearing as ethnographic entities, being displaced by market-influenced or -dominated transitional and peasant economies’ (Cook 1966a: 325). The economic anthropology of the future, in contrast, ‘will be focused on development – the peasantization of the primitive and the proletarianization of the peasant’. Accordingly, it will require ‘the sophisticated model-building skills of the economist’ (1966a: 337–8).

George Dalton, who became the leading substantivist spokesman

after Polanyi's death in 1964, largely agreed that substantivism was apposite only for 'aboriginal (pre-colonial) economies in stateless societies', 'aboriginal (pre-colonial) economies in tribal kingdoms' and 'early, traditional, pre-modern sub-sets of peasantries in states' (Dalton 1990: 166–7). Polanyi would have been deeply shocked that his leading acolyte took that position, because Polanyi's motivation for studying ancient and non-Western economies was to construct a truly universal framework for comparative economics. As we shall see, Dalton's constrictive outlook, echoing as it did the formalists' position, contributed to substantivism's decline in the 1980s and 1990s.

During the 1960s and 1970s, sociocultural anthropology's core group was evolutionary (cross-temporal) and broadly comparative (cross-cultural) in outlook, and especially in the Americas was closely linked to ethnohistory and archaeology. This was the anthropological framework addressed by the interdisciplinary Polanyi group that coalesced around the master at Columbia University in New York in 1947–53 and issued the seminal *Trade and market in the early empires* (Polanyi et al. 1957).

Following Polanyi's death in 1964 and in the wake of the enormous success of the 1957 book, his followers continued to address that framework. In anthropology, his mantle was assumed by economist-turned-anthropologist George Dalton, who collaborated both formally and informally throughout his career with anthropologist Paul Bohannan, his colleague at Northwestern University. Dalton ignored Polanyi's larger purposes, perhaps because they involved a critique of capitalism and of industrial societies generally, and kept substantivism's focus upon pre-industrial societies. This left substantivism largely stranded when sociocultural anthropology turned increasingly towards the study of contemporary populations during the 1980s and 1990s. Because these populations had economies that both the formalists and Dalton, the leading substantivist spokesman, agreed required 'formal economics' for their analysis, economic anthropology became predominantly formalist and virtually synonymous with studies of Third-World economic development (see Isaac 1993).

Polanyi also would have been bemused by Dalton's (1981) vehement insistence, long after the threat of censure against Marxists had vanished in Western universities, that Polanyi's thinking had no intellectual connection whatsoever with Marxism. In retrospect, it is difficult to explain how Dalton, who claimed close intellectual kinship with Polanyi, could have held that position (Isaac 1984: 14–20). In a widely known paper, Rhoda Halperin (1975) had argued that Polanyi's analytical framework derived from a synthesis of Marx's institutional model of the economy and the data of economic history and cultural anthropology. She was unable to

get her interpretation published for another nine years (Halperin 1984), though, because not only Dalton but also the whole surviving Polanyi group was adamantly set against drawing that connection. Although Halperin's position was subsequently vindicated (see Dale 2010: 10–14, 37–42, 237, 241; Polanyi-Levitt 1990: *passim*), it was also rejected at the time by Marxists anthropologists, who formed a rival third school within economic anthropology. Along with formalism, Marxism claimed a universality of application that substantivism was said to lack. Thus, Dalton's inability or unwillingness to recognise either Polanyi's basic intention (to develop a truly cross-cultural comparative economics by illuminating and critiquing Western economies through the study of ancient and non-Western cases) or his intellectual debt to Marx, contributed to substantivism's demise in economic anthropology.

The Polanyi school today

The Polanyi group was dominant in economic anthropology during the 1960s and 1970s (see Bohannan and Dalton 1962; Dalton 1967a, 1968; Dalton and Köcke 1983; Durrenberger 1998; Halperin and Dow 1977; Helm et al. 1965; Polanyi 1977; Polanyi et al. 1957; Sahlins 1960, 1972; Somers 1990). Their influence was notable among anthropological archaeologists and ethnohistorians as well as sociocultural anthropologists during that period: Paul Bohannan, Pedro Carrasco, Louis Dumont, Timothy Earle, Maurice Godelier, Claude Meillassoux, John Murra, Marshall Sahlins and Eric Wolf, among many others. By 1990, however, the substantivists had lost much of their visibility, and Polanyi's work was little cited in sociocultural anthropology subsequently, for the reasons given above. A decade later, Polanyi's work also began to fall out of favour among students of archaic state economies, largely because his framework 'leaves no room for noncapitalist commercial exchange' (Smith 2004: 75; see also Garraty and Stark 2010).

Nevertheless, some of Polanyi's most basic concepts, especially reciprocity and redistribution, have become anthropological stock in trade. They are, in fact, so firmly entrenched that they are generally unattributed in their present usage. In that sense, the demise of substantivism was more apparent than real. It is probably no exaggeration to say that virtually all present-day anthropological analyses of prehistoric or non-Western economies that self-consciously avoid imposing market (capitalist or micro-economic) concepts and categories are carrying on the Polanyi tradition, even when his work is cited lightly or not at all (see Somers 1990), or even when today's authors do not realise that Polanyi's writings informed their professional preparation.

In assessing Polanyi's legacy, it is important to look beyond anthropol-

ogy. In the first place, he was an economic historian or political economist, not an anthropologist. Second, his goal was to improve the human condition by overcoming the deleterious precipitates of capitalism (especially fascism and economic depression), not to contribute to the growth of academic disciplines (see Goldfrank 1990). In other words, he used anthropology and classical studies only as vehicles to reach larger ends.

Were he alive today, Polanyi doubtless would be pleased by the diverse group of historians, classicists, economists, political scientists, sociologists, anthropologists and other social thinkers and activists who are using his work as the focus of their conferences (see Duncan and Tandy 1994; Hann and Hart 2009; McRobbie and Polanyi-Levitt 2000; Mendell and Salée 1991; Polanyi-Levitt 1990). From their collections of papers, it is clear not only that Polanyi's work remains influential but also that its utility is not restricted to 'primitive' or 'archaic' economies. Rhoda Halperin (1991, 1994b, 1998) employs Polanyi's concept of householding to illuminate resistance to capitalist subsumption among the poor of Cincinnati and its environs, while Lorissa Lomnitz (2000) reveals the great importance of reciprocity in the informal economy of all social classes in present-day Mexico and Chile. Walter Neale (1994) demonstrates the utility of Polanyi's concept of the 'double movement', the emergence of disembedded capitalism followed by a protective social movement to re-embed some important economic aspects in the political fabric, for understanding Indian modifications of and resistance to British colonial economic policy.

In a similar vein, Fred Block (1991) argues that the United States reaped great economic benefits from capitalism in the 1850–1950 period only by maintaining low levels of 'marketness' and relatively high levels of social embeddedness in such important sectors as agriculture, manufacturing and professional services. Chris Hann (2009) argues that Polanyi's concepts can be adapted for understanding socialism, both historical and contemporary; his case study using Polanyi's framework is China's Xinjiang Uyghur Autonomous Region, where the village economy was disembedded by coercive state socialism during the Mao era and then allowed to re-embed itself in the village moral fabric during the post-Mao reforms of the 1980s. Other contributors to the edited volumes cited above employ Polanyi's ideas in analysing contemporary Britain, Bulgaria, Germany, Hungary, Jamaica, Japan and Turkey. Several essays in the aforementioned collections also tie Polanyi's work to early developments in world-systems theory and welfare-state theory, as well as to post-Soviet social-policy formation in Eastern Europe.

At a more general level, James Ronald Stanfield (1986, 1990; McClintock and Stanfield 1991) is forcefully championing a Polanyi-based comparative economics. Similarly, Don Robotham (2009) has proposed that

Polanyi's concept of embeddedness provides a basis for the convergence of economic sociology, economic anthropology, political economy and institutional economics. Jens Beckert (2009: 40) points out that Polanyi's concept of embeddedness is already central to the 'new economic sociology' that has developed during the past 25 years to study the core institutions of modern capitalist economies. Polanyi's work is also receiving renewed attention among critics of neoliberal economics and free-market globalisation (Dale 2010: 207–34; see also Somers 1990). Thus, while Polanyi's influence in anthropology has faded during the last twenty years, his work remains important in certain other social and policy sciences.

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2 Anthropology, political economy and world-system theory

J.S. Eades

The relationship between anthropology and political economy goes right back to the beginnings of the discipline in the nineteenth century, with the work of Lewis Henry Morgan, Karl Marx and Friedrich Engels. However, the two traditions drifted apart early in the twentieth century, as the 'grand narratives' of evolution were either rejected as speculation or seen as irrelevant to research, now increasingly based on fieldwork.

After the Second World War, the two traditions began to draw together again and grand narratives began to come back into fashion with the rapprochement between anthropology and history, as historians became interested in anthropological models, and anthropologists became more interested in the histories of the places in which they did fieldwork. Some economic anthropologists drew extensively on history, particularly the work of Polanyi as interpreted by Dalton and others (Dalton 1968; Polanyi 1944; Polanyi et al. 1957; see Isaac chap. 1, *supra*). As de-colonisation proceeded and the United States and the Soviet Union competed for influence by underwriting regimes and proxy wars, many societies started to experience social and political instability, and 'modernisation theory' became increasingly unsatisfactory for the analysis of what was going on (Shannon 1989: 6–8). The political radicalisation in America and Europe which the same proxy wars produced resulted in a resurgence of interest in Marx, and debates between proponents of various readings raged in a new generation of radical journals. One of the most important of these was world-system theory as developed by Wallerstein (1974), together with Frank (1969), Giovanni Arrighi (for example, Arrighi 1994; Arrighi and Silver 1999), Samir Amin (for example, Amin 1974, 1997) and Janet Abu-Lughod (1991). By the 1980s, a modified and generalised version of world-system theory was producing fruitful results at the boundaries among anthropology, history and archaeology. World-system theory had become well established in the historical, anthropological and sociological traditions, as the long list of references given by Chase-Dunn and Hall (1997: 256) shows. By the 1990s, world-system theorists were increasingly talking about 'globalisation' as the dominant paradigm, as a new industrial revolution based on information technology began to take shape.

In this chapter, I sketch the background and some of the main contributions to this increasingly interdisciplinary tradition, in six main sections. The first deals with some of the early contributions to the field; the second outlines the introduction of the term by Wallerstein and its popularisation; the third considers attempts to eliminate the Eurocentrism implicit in earlier work; and the fourth looks at extensions of the scope of world-system theory, building on the work of Chase-Dunn and Hall. The fifth section considers the impact of information technology on the world system and globalisation, as discussed by Castells. In the sixth section, I discuss the recent merging of theories of the world system, globalisation and the environment, and in the conclusion I spell out some of the implications of this corpus of work for the definition and practice of anthropology.

Antecedents

After the end of the Second World War, reconstruction in Europe and Japan took off, and the result was a period of relative stability and rapid economic growth, despite the Cold War, marked by belief in the possibility of orderly change and Western-style development. This was enshrined in the modernisation theories of the period, such that of Rostow (1960), with its five stages. This body of literature in turn generated its own body of criticisms (Shannon 1989: 2–11), because of its lack of attention to conflict and its assumption that the reason for the lack of development in many areas was their ‘traditionalism’, rather than their historical relations with, and exploitation by, wealthier countries.

As these criticisms were taken on board, ideas about the world-system, or something like it, began to take shape. The emerging theories drew on Marx’s accounts of the capitalist system and Lenin’s (1939) accounts of imperialism, trade and colonial exploitation, and exploitation became a key issue (Shannon 1989: 13). A number of ideas were also adopted from Fernand Braudel (1981–84): the idea of an international system consisting of a dominant ‘centre’ and a weak periphery, and a cyclical view of history with the rise and fall of states. These ideas were most notably developed by Andre Gunder Frank (1966, 1969) and Immanuel Wallerstein (1974), together with a number of like-minded anthropologists and historians, such as Eric Wolf (1971, 1982), Peter Worsley (1967, 1984, 1987) and Paul Kennedy (1989).

The use of centre–periphery and metropolis–satellite relations in the analysis of regional economies was popularised by Frank’s work on Latin America (Frank 1969). His explanation of relations of dependency centred on the exploitative relationship between the rich and the poor countries, with the poor countries providing raw materials and markets for the rich. Investment in infrastructure in the poorer countries was geared to the

needs of the richer countries, making balanced economic growth impossible, as most of the profits of trade and production went to international capital rather than local people. The result was the 'development of underdevelopment' (Frank 1966): underdevelopment did not mean lack of development, but development in the wrong direction. The logical conclusion was that, if involvement in international trade by the weaker countries of the periphery results in exploitation and underdevelopment, the best thing to do is to withdraw from international trade and attempt to develop self-sufficiency. Frank himself noted that the most rapid growth in Latin America took place in periods when relations with the United States were disrupted (Frank 1969: 325–6). The dependency approach was taken up and extended to the study of other regions, most notably in the work of Walter Rodney (1967) and Amin (1973) on Africa. However, it was soon noted that some economic development was taking place in colonies or former colonies in other parts of the world, and so theoretical revision was required (Worsley 1987: 77–8; see also Warren 1980).

The arrival of the world-system

Gradually during these discussions, 'world-system' began to enter the theoretical vocabulary, popularised by Wallerstein in his three-volume work *The world-system* (1974, 1980, 1989) and in numerous essays (for example, Wallerstein 1975, 1979, 1983, 1984, 1991, 1995, 2000, 2001). By late in the 1980s many of the main features of world-system theory had been generally agreed (for a synthesis, see Shannon 1989: chaps 2, 4). The world-system arose as the different regions of the world became linked through exchange and trade into a single economic system with a distinctive division of labour between core, semi-peripheral and peripheral areas. This was based on capitalist exploitation and the appropriation of surplus value. Methodologically, this meant that individual parts of the system could not be analysed in isolation, but only in relation to the whole, which increasingly consisted of countries competing for wealth and power. Typical accounts of the system began with a description of the status quo in the fifteenth century on the eve of European expansion, followed by the development of Western maritime trade and colonialism (for example, Kennedy 1989: 1–38; Shannon 1989: 38–43; Wolf 1982: 24–72). Wallerstein's view was that the modern world-system was born in the 'long' sixteenth century, from 1450 to 1620, in response to a crisis in the feudal system. This crisis was partly solved by geographical expansion in search of new sources of raw materials; long-distance trade, which created a new division of labour based on the distinction between core, periphery and semi-periphery; and by the development of the modern nation-states in Europe as the basis of economic and political competition.

However, the system was by no means static, and the core moved over time, from Spain and Portugal in the sixteenth century, via the Netherlands, England and France from the seventeenth to the nineteenth centuries, to the United States in the twentieth. Much of the dynamism came from states in the semi-periphery, able to make use of their low labour costs coupled with access to the latest technology, to leap-frog into the core.

The concept of social class took on a new meaning in world-system theory, including not only capitalists and proletarians, but a middle class of skilled and professional workers and a non-wage sector of petty commodity producers. In some cases different forms of production could exist in the same household, as wages can be kept low on the assumption that family members were also engaged in non-wage labour (see Harris chap. 25, *infra*). Much of the debate about the 'informal sector' (see Chen chap. 28, *infra*) of the economy in the 1970s and 1980s revolved around the role of these non-wage forms of production within the capitalist system.

There was also considerable interest in the role of the state and its symbiotic relationship with the capitalist classes. Those classes provided many of the resources on which the state relied, while the state provided support for capitalism by opening up new parts of the world for exploitation. In the twentieth century, that support increasingly took the form of providing the infrastructure and services necessary to reproduce a literate and highly skilled workforce in the core. These workers gained greater rights, but the workers in the periphery often remained exploited, leading to political instability and, in many cases, authoritarian states.

Eurocentrism or the centrality of Asia?

As the world-system concept became popular, it remained a *Western* world-system, initially a European creation, with other regions playing the roles of old empires in decline or victims of Western colonialism.

Frank attempted to counter what he saw as the Eurocentrism in these accounts in his *ReOrient* (Frank 1998). In this, he argued that Europe had occupied a fairly peripheral role in the world economy until much later than was generally supposed. This argument grew out of Frank's earlier work with Gills (Frank and Gills 1993), in which they proposed that the evolution of the world-system had been taking place over the last 5000 years, rather than the last 500, thus incorporating the great pre-capitalist empires of Europe and Asia. In *ReOrient*, Frank argued that the global economy was dominated by Asia until around 1800, which seemed set to dominate it again. European exploitation of the New World led to greater wealth and involvement in trade with Asia through access to silver (Frank 1998: 143–9; see also Wolf 1982: 138–40), one of the few commodities

that the Chinese were willing to buy, but the imbalance between Asia and Europe remained: at the end of the eighteenth century Asia had 66 per cent of the world's population and was responsible for 80 per cent of its production (Frank 1998: 172).

But if the Asian economy was always so powerful, why did the Industrial Revolution take place in Europe and America, and how did the West win the struggle for economic dominance? Kennedy (1989: chap. 1) argued that governments in Europe were weak and could not control technological innovation or capital accumulation. The governments of the empires of the East were stronger and could exert more control, but the result was technological stagnation, even if coupled with political stability.

Bray and Pomeranz add an environmental dimension. Bray (1986) traces many of the differences between agricultural development in East and West to the technical and economic differences between rice and wheat, with wheat returns responding better to large-scale production. Pomeranz (2002) argues that one of the main hindrances to development in much of Europe and China well into the eighteenth century was a lack of energy resources.

Many of these arguments have been subsumed in Morris's (2010) recent synthesis of the relations between East and West from the last ice age on. He examines human social development based on four basic indicators: energy capture, urbanism, information processing and capacity to make war. Based on these, he concludes that the developmental lead has alternated between East and West, and that high points in development were regularly followed by periods of decline or collapse. The most advanced societies prior to the eighteenth century, imperial Rome and China during the Song dynasty, failed to develop systems of energy capture which would allow them to industrialise, and this was only finally achieved in the West with the Industrial Revolution and the harnessing of coal and steam.

Comparative analysis of world-systems

Another direction for world-system research has been the comparative analysis of the rise and fall of networks of societies, as in the work of Chase-Dunn and Hall. Like Franks and Gills, they do not confine the use of the concept to the capitalist world-system that developed after 1400, but extend it to other types of social formation. They (Chase-Dunn and Hall 1997: 4–5, original emphasis) define their core concept in the following way:

We define *world-systems* as intersocietal networks that are systemic . . . [that is] they exhibit patterned structural reproduction and development. We contend that the developmental logics of world-systems are not all the same, though they do share some general properties . . . We envision a sequence of changes in

which thousands of very small-scale world-systems merged into larger systems, which eventually merged to become the global modern world-system . . . How and why did these many small systems coalesce and transform over many millennia into a single, global world-system?

This definition includes three elements. First, world-systems link societies. Second, they share some general properties of development, allowing the construction of models. Third, over time many world-systems have merged, finally creating the single, integrated, capitalist world-system that we see today.

Chase-Dunn and Hall offer other variations on the world-system theme. Unlike many, they do not take core–periphery relationships for granted, but as something to be investigated in each case. In their view, a world-system could theoretically consist of a network of partners of equal status (1997: 28). They also spell out the different kinds of networks through which societies are connected, based on flows of information, prestige goods, power, basic foodstuffs and raw materials. The largest networks are usually those within which information flows, followed by those in which prestige goods are exchanged. Next in size are what they call ‘political/military networks’, forming political units, while ‘basic goods networks’ based on the exchange of food and raw materials tend to be smaller still.

How does evolution take place in the world-system? In Chase-Dunn and Hall’s analysis (1997: 249), this is a result of three linked sets of processes: ‘semi-peripheral development’, ‘iterations of population pressure and hierarchy formation’ and ‘transformations of modes of accumulation’. First, they argue that many of the most dynamic and interesting innovations and developments take place in the semi-periphery, enabling semi-peripheral societies to overtake societies in the core. Second, many of these developments are influenced by population dynamics, with population growth and increasing social complexity being followed by dramatic decline due to warfare or the arrival of pathogens from outside. Third, they see historical transformations not as changes in modes of *production* as in orthodox Marxist theory, but in modes of *accumulation*, of which they distinguish four (1997: 29–30): kinship modes, ‘based on consensual definitions of value, obligations, affective ties, kinship networks, and rules of conduct’; tributary modes, based on political (including legal and military) coercion; capitalist modes, based on the production of commodities; and socialist modes (which they describe as ‘hypothetical’), democratic systems of distribution based on collective rationality. Different modes can co-exist within the same system, and there are also transitional and mixed systems. The concept they use to tie all this together is that of *incorporation*, the process through which separate systems become linked (1997: 59).

This leads to a typology (or developmental sequence) of world-systems, which subsumes many of the subsistence types or stages of development in earlier anthropological theory (Chase-Dunn and Hall 1997: 42–4). These types range from societies of foragers and big-man systems, where the kin-based mode is dominant, through ancient states and empires, where the tributary mode is dominant, through to the modern world-system, where the capitalist mode is dominant.

Chase-Dunn and Hall emphasise that they are not putting forward a unilinear theory of evolution: transformations have been similar across regions in only a broad sense, and development has always been uneven. What they attempt is to specify the kinds of organisation and production that are necessary to allow this uneven development to take place. They are therefore interested not only in technology, ecology and demography, but also in ‘those social institutions that facilitate consensus, legitimate power, and structure competition and conflict within and between societies’ (1997: 5).

But it is not only the typology which has been of interest to other social scientists. It is also the other processes that Chase-Dunn and Hall highlight: development in the semi-periphery, and the ‘pulsations’ of growth and decline built into the system. It is in the semi-periphery that the most rapid and dramatic transformations are often seen. Given advantages of cheaper labour costs and newcomer advantages in access to technology, semi-peripheral countries may well leap-frog into the core to take over the lead, as happened in the case of Europe overtaking Asia in the nineteenth century, a process which appears to be in reverse at present. Some social scientists have attempted to test this proposition quantitatively, and have found evidence to support it (for example, Clark 2010). Other phenomena exhibit similar patterns. For instance, Bergensen and Lizardo (2004: 38) have argued that there is a relationship between waves of international terrorism, semi-peripheral areas and cyclical change within the world-system, that terrorism is likely to appear from semi-peripheral regions ‘when the dominant state is in decline’.

This still leaves the question of where the drivers for these pulsations come from. Pomeranz and Morris both discussed energy supplies, and other recent analyses have focused on technology and the environment. These are discussed further in the next two sections.

Political economy, culture and the information age

While Frank was attempting to reorient our view of global development, a further ‘grand narrative’ was being constructed by Manuel Castells, in his trilogy *The information age* (Castells 1996, 1997, 1999). This traced the impact of information technology on the world economy, society and

politics. It brought together a number of Castells's earlier interests, including the role of the state in consumption (Castells 1977), social movements (Castells 1983) and the relationship between information technology and urban development (Castells 1989; Castells and Hall 1994). Castells argued that the effects of the new technology could be seen globally: from the reshaping of industry and the erosion of the traditional family to the erosion of the power of the state, new forms of polarisation between rich and poor, and the emergence of new regional groupings and networks of organised crime. Because of information technology, people working together no longer have to be in the same place, while the economies of the developed countries are increasingly based on the production, organisation and dissemination of information.

This had geographical consequences. In the United States, the electronics and software industries became concentrated in a small number of regions around San Francisco, Los Angeles, Phoenix, Dallas–Fort Worth, New York, Boston and Philadelphia (Castells 1989). Their locations largely depended on the presence of important universities, with Stanford as the institution which gave rise to the development of Silicon Valley (Castells 1996: 53–60).

Other social changes in these regions typically follow: land and house prices rise, the middle classes move in and the working classes move out. 'Edge cities' form on the edges of the traditional large urban centres (Garreau 1991), and people with money move there for convenience and security, away from the inner city. High-class recreation and retail facilities to cater to these groups also appear, but these generally employ low-skilled, low-paid workers in service industries, with heavy concentrations of women and ethnic minorities. The result is the 'dual city' described by Mollenkopf and Castells (1991), with an increasing division between the rich and the poor, and a shift in budget allocations from the inner city to the suburbs. Many of the traditional working classes are also badly hit as large companies look for cheaper labour outside the main industrial countries. Castells's analysis is similar to that of Sassen (1991), in her study of the 'global cities' of Tokyo, London and New York. She found that these processes of the decline of older industries and the polarisation of the workforce were particularly acute as a result of the concentration of the financial-services industries in these international mega-cities. Abu-Lughod (1999) came to similar conclusions in her comparative study of New York, Chicago and Los Angeles, America's own global cities.

The result of these changes has been unstable ('flexible') employment, the collapse of traditional work patterns and a massive influx of women into the labour market, often at lower rates of pay than their male counterparts, producing a crisis in the family (Castells 1997: chap. 4). Families

with a husband, a wife and their children living together had become a minority by the 1990s. Castells linked this with increasing popularity of fundamentalist versions of Christianity and Islam, both stressing the importance of patriarchy and the family (Castells 1997: 12–27). Resistance to the new global order and the search for new identities has also resulted in new forms of social mobilisation, from the environmental movement to dangerous fringe cults such as AUM Shinrikyo in Japan (Castells 1997).

Finally, of course, the state itself has been weakened (Castells 1997: chaps 5, 6). Increasingly states have been unable to stop flows of capital or information, or to prevent the major corporations from moving industrial production to other regions of the world. Democratic processes in countries such as the United States have also been affected, for instance by television, which is often more concerned with ratings and advertising revenues than with serious news, and so treats politics as entertainment.

Castells also traces the collapse of the Soviet Union to the increasing gap in information technology between East and West, as the Soviets failed to develop their own IT industry (Castells 1999: chap. 1). In the aftermath of the collapse, organised crime flourished, organised largely by former party officials, especially in the republics of the Caucasus and Central Asia. Castells noted the increasing integration of the various regional mafias, and the staggering amounts of money in circulation (1999: chap. 3), largely because of the continuing criminalisation of drugs in the United States pushing up prices and profits (see Bourgois 1995: 321–2). Much of the attraction of criminal activity, however, lay in the fact that there were few alternative sources of income for many people, especially in what Castells (1999: chap. 2) calls the ‘fourth world’, regions and peoples excluded from the new information economy, both in the developing world and the ghettos and inner cities of the richer countries.

In the last thirty years, studies of business and industry, ethnic minorities, housing problems, poverty, deviance, international migration and the sex industry have all multiplied, creating the need for new grand narratives to tie them together. This is where Castells’s work, together with that of the other major theorists working in the political-economy tradition, is perhaps most important, for it provides not only a framework for understanding the core processes in modern society, but also ideas about the direction in which it is going. Not surprisingly, his conclusions about the future were rather bleak, though remarkably prescient, given that the internet was only just taking off globally when he was writing his trilogy. Ten years on, many people in the fourth world at least have the new generations of mobile telephones, and self-expression is flourishing on the social networking sites that are popular on the internet, at least in those countries that allow their citizens to use them. However, international crime

and illegal drugs are also flourishing (for surveys, see Glenny 2009; JojARTH 2009; Lintner 2002), partly as an unwelcome consequences of the West's attempts to spread freedom and democracy to Afghanistan. Meanwhile, the world economy is suffering from the effects of Castells's 'global casino' of the world's money markets.

Globalisation and the environment

In addition to technology, it should be noted that there has been an increasing convergence between discussions of the world-system, globalisation and the environment, due to concern with the effects of possible climate change on human societies during the next century. If the grand narratives of the 1990s, such as those of Castells, Sassen and Abu-Lughod, dealt with information technology, capitalism and the growth of cities, those after 2000 have increasingly dealt with security (thanks to the attacks of 2001 on New York and Washington) and concern about the environment.

In addition to small-scale research on social organisation and the environment (see Hirsch chap. 19, *infra*), a series of publications in the last thirty years have dealt with large-scale changes in the environment resulting from human activity. An early example was Wolf's discussion of the impact of the fur trade as the relations between Europe and the 'people without history' developed (Wolf 1982: chap. 6). Since then, with the growing concern with climate change, and with developments in techniques for analysing climatic variation in the past (Richards 2006: 59–60), the number of major studies has escalated. Some deal with the impact of cyclical climate change, for instance Fagan's (1999) study of the historical impact of El Niño events on societies and cultures from ancient Egypt to modern California, and Richards's (2006) examination of the effects of the 'little ice age' between the thirteenth and the twentieth centuries both in Europe and Asia.

However, such works soon started to consider not only the impact of the environment on society, but also how far human activities were influencing the environment. Richards's study notes that the development of the early-modern state in both Europe and Asia soon led to major transformation of the environment, with drainage schemes in the Netherlands and the extension of agriculture in China. Asia in general, and China in particular, have often been the focus for large-scale research, as in Elvin's (2004) account of the 'retreat of the elephants' in the wake of the transformation of forests into agricultural land as the Han spread south and west across China. Interestingly, Richards has noted that the Japanese during the Edo period were much more successful at maintaining their forests than the Chinese, and Elvin has argued that the environmental conditions in China at the end of the Qing period were among the factors that led to increasing poverty, instability and eventual revolution.

But perhaps the best-known author in this field is Jared Diamond, whose *Guns, germs, and steel* (1999) and *Collapse* (2005) have both sold widely. The first book attempted to answer the question posed by a New Guinea friend of the author, why do people in the West have so many material goods? The answer is provided through a wide-ranging survey of the development of complex societies, beginning with the animals and plants available for domestication and agricultural techniques, together with the roles of pathogens and other technologies. *Collapse*, by contrast, presents case studies of what happens when societies consume resources unsustainably, mainly through overpopulation and habitat destruction, aided by anthropogenic climate change, pollution and a lack of energy resources. Towards the end of the book, *Collapse* looks at the state of the Chinese environment, adding to the growing body of literature suggesting that environmental problems could well limit China's growth (see Chang 2001; Edmonds 2000; Smil 1993). Diamond's work also ties in well with recent accounts of globalisation, mainly by economists, including Friedman (2005, 2008), Sachs (2005) and Stiglitz (2006), which deal with the relationship between globalisation, the political economy and the politics of climate change.

In addition to these more popular accounts, the work of the Millennium Ecosystem Assessment should also be noted. This vast project sought to provide an audit of the state of the world's ecosystems. Its findings have been published in a number of volumes, including accounts of the methodology used (MEA 2003), a survey of the conditions and trends in different types of ecosystem (MEA 2005a), scenarios for the future (MEA 2005b) and a summary aimed at decision makers (MEA 2005c). The scenarios volume is particularly interesting, suggesting not only a range of different political and technological approaches which may be possible, but also their implications for the mitigation of climate change. Two of them, 'Global orchestration' and 'Order from strength', focus on different political responses. The first suggests global and regional cooperation, while the second suggests strengthening national boundaries and relying on conventional security institutions. The other two focus on technological responses, 'TechnoGarden', which involves the development of green technology globally, and 'Adapting mosaic', which emphasises local adaptation and flexible governance. These perhaps should be seen as ideal types, but 'Order through strength' appears the most likely given the present structure of international relations.

The important point about these analyses is that they reflect a growing trend towards the integration of world-system theory with environmental research and modelling. With ever-more sophisticated geophysical data and modelling techniques available, the possible effects of climate

change and its root causes such as CO₂ and methane emissions, and the possibilities for mitigating them, should become clearer over the coming years. If the news is bad, the question is whether the future lies in a reinforced version of the country defending its resources against increasing numbers of people on the move, or whether there will be a fundamental shift in the global political economy resulting in greater regional or global cooperation. At the time of writing, the signs are mixed. On the one hand, initiatives such as the formation of the G20 to provide a broader basis for negotiating a solution to global economic problems look promising. On the other, the failure of the US to enact strong environmental legislation, coupled with the growing rivalry between the US and China (Hutton 2007; Jacques 2009; Overholt 1993), does not hold out much hope that global orchestration will begin any time soon.

Conclusions

The study of political economy and the world-system has largely taken place at the interface between anthropology and other disciplines, and as a result has always been interdisciplinary. Although it has involved historically minded anthropologists such as Wolf, Worsley and Abu-Lughod, or an anthropologically minded geographer and biologist such as Diamond, the other main protagonists have been from sociology, history and economics, such as Frank, Wallerstein, Kennedy, Castells, Morris and the globalisation theorists. In all this work, there is a sense that traditional disciplinary boundaries are irrelevant, and all of these authors have drawn freely on vast bodies of research from across history, the social sciences and, increasingly, environmental science. For anthropology as a discipline, the main significance of this work can perhaps be summarised under the following points:

1. With the move of anthropological research into complex urban societies and the capitalist economy, there has been an increasing need to bring back grand narratives to provide a macroscopic framework for understanding what it is that most anthropologists study. The work within the political-economy tradition described above has provided the best tools to date for constructing this kind of framework, and has been indispensable in helping to understand the modern world and its evolution.
2. In the study of small-scale societies, world-system theory can play a role by focusing on the relationships among societies, allowing a critique of earlier work in which societies and cultures tended to be treated as discrete and isolated entities. As shown above, outside links can often produce dramatic results within societies, particularly with

processes like the spread of pathogens, which can lead to catastrophic population decline. This has been particularly fruitful in American anthropology, with its inclusion of archaeology (Chase-Dunn and Hall 1997: chap. 7).

3. World-system theory has also generated hypotheses which a number of researchers have found useful, especially concerning the relations among the core, semi-periphery and periphery. I have mentioned work that relates these to economic growth and the spread of terrorism, but there are other examples.
4. Finally, the current convergence between world-system theories and discussions of globalisation, technology and the environment creates interesting possibilities for predicting the future of social groups at all levels. Some of these predictions may be exceptionally bleak (for example, the implications of different degrees of temperature rise discussed by Lynas 2007, or the worst-case scenario discussed by Morris 2010: 598–608), but world-system theory teaches us that history has been exceptionally messy at times in the past, and presumably will be so again in the future. Thus it provides a useful antidote to some of the more optimistic versions of social theory in allowing us to forecast what is likely to happen if current trends continue, and in reminding us that at the world-system level, exploitation, conflict and catastrophe are, statistically speaking, normal aspects of the human condition.

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3 Political economy

Don Robotham

Political economy treats the economy from the point of view of production, rather than distribution, exchange, consumption or the market. It does not ignore those things, but analyses them in relation to the role they play in the production of the material needs of a society, including the need to reproduce and expand the means of production themselves (Dupre and Rey 1978). The field is vast and contains many disagreements. This chapter will address some of the central themes that arise within political economy, especially as they are found in the works of anthropologists.¹

My emphasis is on the relationship of political economy to economic anthropology, but it is important to recognise that political economy presents itself as a general theory of society, inequality, politics, the state and culture. Some of the most significant work in political economy has been done in relation to politics, for example the many publications of Eric Wolf (for example, 1999), and in relation to culture (Roseberry 1988). Post-colonial theory also had its origins here, with Alavi's (1972) classic work on the state in Pakistan and Bangladesh. Contemporary post-structuralist rejections of the notion of 'development' can be understood as a Foucauldian extension of an influential school of political economy, Latin American dependency theory (see Eades chap. 2, *supra*), carried to its logical conclusion (Escobar 1994). Likewise, it is difficult to understand many of the current approaches to gender inequality in anthropology unless one understands the basis of this in theories of political economy. For instance, debates around Lisette Josephides's (1985) account of inequality in Melanesia as deriving from the exploitation of women in the production process, have been critical (for example, Strathern 1988). The same can be said for Maxine Molyneux's (1978) important critique of Emmanuel Terray, which demonstrated convincingly that among the so-called 'segmentary lineage-based societies' of West Africa, gender and generational inequalities were endemic.

From the point of view of economics, the central concept in political economy is the 'mode of production'. This focus on production is in sharp contrast to various forms of exchange theory, which characterised the work of both the formalist and substantivist schools of economic anthropology (see Isaac chap. 1, *supra*) and which continues unabated in recent work on anthropological theories of value (Graeber 2001; Hann and Hart

2009). Political economy is also part of the broad Enlightenment idea of progress that is concerned with the nature and significance of history in general, and economic history in particular, and that shapes the analyses of particular societies (Godelier 1978: 216–17). Critical issues which continue to preoccupy anthropologists are addressed in political economy from a distinctive point of view, including the significance of non-Western economy in its own right and from the point of view of Western and world economic history, and the related issues of Third-World development and of economic alternatives to neoliberal globalisation.

I begin with the work of the group of political economists who have had the greatest influence in anthropology, the French structural Marxists, also known as the ‘articulation’ school. This group arose late in the 1960s and was influential through the 1970s. Critical representatives are Claude Meillassoux, Maurice Godelier, Emmanuel Terray, Pierre-Phillipe Rey, Georges Dupre, Marc Auge and the historians of Africa with whom they worked closely, Jean Suret-Canale and Catherine Coquery-Vidrovitch (Seddon 1978). As this suggests, structural Marxists were primarily Africanists, and they invoked detailed empirical knowledge of the societies of West and Central Africa and Madagascar which had been a part of the French colonial empire. This school is now largely defunct, though it retains some influence in South African anthropology and social science, where it was one of the inspirations leading to the efflorescence of neo-Marxist political economy (Asad and Wolpe 1976).

Structural Marxism was by no means the first application of a Marxist-influenced political economy in anthropology. The work of Godfrey Wilson (for example, 1939) and Ronald Frankenberg (for example, 1978), strongly influenced by the more processual functionalism of Max Gluckman (for example, 1965), preceded that of the French. These early British political economists were not theoretically oriented. Rather, they were primarily interested in documenting and analysing the impact of British colonialism: the transformation of land tenure; the effects of mining in Zambia and South Africa; the breakdown of ‘tribal cohesion’ in the economies and societies of Central and Southern Africa; the rise of large-scale labour migration and its associated urbanisation and ‘detrribalisation’. Their work in the application of political economy in anthropology, economics and history was pioneering, providing an invaluable account of the economic and social impact of colonialism in the inter-war and early post-war years.

What was distinctive about the French school was the combination of traditional ethnographic empiricism and a self-consciously theoretical orientation, strongly influenced by the structuralism of Claude Lévi-Strauss and the highly abstract structural Marxism of Althusser and

Balibar (1998). Unlike some previous Marxist theoretical work, they saw fieldwork as a necessary point of departure for theory, and they insisted on a detailed analysis of the economic, political and kin relationships revealed in their data. On this basis, they approached theory as constructs that should respect and be supported by the data. Part of their influence on economic anthropology was due to this derivation of theory from the fieldwork ethnography long characteristic of anthropology.

These scholars raised fundamental challenges to economic anthropology. What were the relations of production characteristic of kinship societies? Did exploitation exist within them? What was the connection between production, exchange and the development of markets? How were the main concepts, in particular the central 'mode of production', to be understood and applied? What was the source of value in such economies and how did this relate to other concepts of value in economic theory? How were such economies to be understood in the broad sweep of human history? Could the orthodox idea of progress found in Marxist political economy satisfactorily resolve such issues?

Modes of production

Political economy being centred on production, its key concept is the mode of production. This is understood as a particular arrangement of the 'relations of production' and a corresponding level of the 'forces of production'. Relations of production have, above all, to do with control of the means of production, by which every society provides for its material existence and continuity. From this point of view, the key to understanding any economy and society, is to understand which strata or classes control the means of production.

The concept 'relations of production' is also central, for it is the basis for distinguishing one mode of production from the other. Thus the Ancient Slave mode of production was characterised by unique relationships to the means of production. In it, a particular social class not only owns the main means of production, land, privately, it also owns the human beings who work the land. Or, to put it from the point of view of the people who do the work, their relationship to the means of production is one in which they are both deprived of those means and are themselves the property of the dominant slave-holding class.

The other major concept is 'forces of production', of which the 'means of production' are a part. Means of production include the 'objects of labour', such as land and raw materials, and the 'means' or 'instruments' of labour, which are tools and technology. However, the most important force of production is neither an object nor an instrument of labour, but human labour power itself. In other words, integral to political economy

is a labour theory of value. Central also is the philosophical, indeed political, corollary, that human labour, and thus working people, is the motor of history. It is here that the character of political economy as a labour theory of value and a theory of exploitation is revealed. In each economy characterised by classes, there is a characteristic form of the extraction of the surplus. Indeed, it is the very ability of an economy to produce a regular surplus that leads to class division, the transformation of kinship-dominated economies into political societies and the rise of the state.

Forces of production should not be confused with or collapsed into the concept of technology. Technology is always applied in association with some form of human labour, even if this increasingly is mental labour, and it is only one of the forces of production. If technology has come to achieve a relative autonomy in advanced capitalist societies, this is only because the division of labour has been developed to a high level. Political economy, although attaching great importance to technology, does not use technology to explain economy. Likewise, it differs substantially from ecological anthropology, which has influenced the work of political economists such as Frankenberg (1978) and Wolf (1999). Geography and climate have an effect on economic processes, but only in the context of productive activity within a specific set of production relations. Human labour power thus is reaffirmed as the chief force of production and class struggle is reaffirmed as the motor of history.

The practical application of this ensemble of concepts is best understood in relationship to specific modes of production. In the kinship-dominated societies frequently studied by anthropologists, with their 'lineage mode of production', the means of production are owned communally (Geschiere 1985). Tools are usually held privately, but ownership of the chief means of production, usually land, is vested in the kin group and controlled by elders on behalf of the group. Division of labour is by sex and age, which in general gives seniors power over juniors and men power over women. This mode generates only a small surplus, if any, and the product is controlled by the elders, who have various mechanisms for distributing it. Exchange exists, but is relatively restricted.

In the history of India and China, some argued, communal modes were followed by the development of an 'Asiatic' mode of production. Here, access to land remains under communal control but formal ownership is transferred to the state, so that relations of production have a peculiar dualism. At the village level, kin groups and the village itself have what amounts to usufructuary rights to the land, while legal ownership of land and of large-scale irrigation works is in the hands of the state and an associated aristocracy, as is control over long-distance trade. Production generates a substantial, regular surplus, appropriated by both state and

aristocracy as a tax in kind, either as forced labour or as ground rent (Godelier 1978: 224). This surplus is distributed and exchanged in a complex long-distance commodity chain. A broad-based 'commodification', an important concept in anthropology, is regarded as emerging here, through the development of local and long-distance markets that took place long before the emergence of capitalism. Major advances in the productive forces occur in this mode, in tools, weapons, shipping and technology more generally. Socially this provided the economic basis for the consolidation of class divisions, politically it led to the emergence of empires, culturally it led to the emergence of 'civilisation'.

French historians of Africa, influenced by ideas of a distinctive Asiatic mode of production, identified what was claimed to be a distinctive African mode. They held that private property in the chief means of production is practically unknown throughout pre-colonial Africa, ranging from small subsistence economies dominated by kinship or village life to large trading empires which emerged in West Africa beginning in the eighth century. Land was owned by the lineage, clan or the village group. The large states, these historians argued, were essentially trading states, in which a tribal aristocracy transformed itself into a ruling class by becoming a trading aristocracy. In the case of West Africa, they controlled the trade in gold, salt and slaves, obtained not by transforming the relations of production but by extracting tribute from trade.

In the case of Western economic history, by contrast, the unique feature is the early emergence of private property in the relations of production. In Greece, and especially in Rome, the original communal relationships to the means of production are superseded by the emergence of Ancient Slavery, and private property in land and slaves becomes the norm, at least for patricians. The slave-owning class appropriates the entire product, including the surplus, which leads to high rates of slave mortality and the need for a continuous supply of new slaves. This is especially the case when, as in the plantation slavery in the Americas (see Mintz 1985), slaves were used to produce a commodity for the world market. Although an enormous advance over previous modes, slavery was rife with inner contradictions. Because of its coerciveness, it is plagued by low productivity and the tendency to destroy the main force of production, human labour power. None the less, during slavery there is substantial development of technology and the flourishing of empire and civilisation.

While the Asiatic and African modes persist in the East and in Africa according to this view, in the West slavery passes away, superseded by a relatively less brutal mode of production, Feudalism, again with the further development of private property in the means of production. Serfs obtain some means of production; the dominant class does not take

the entire product, only the surplus. But in Feudalism, the exploitation of labour is visible and obvious, because surplus labour is extracted in a place and time different from the peasants' daily round. It occurs on manor land, rather than on the peasant plot, or in forms of forced labour service or commuted rent. In the case of capitalism, on the other hand, exploitation is concealed within what Marx called 'the hidden abode' of the production process.

The Capitalist mode of production is the culmination of the Western tradition of private property. The means of production previously held by the peasant and the craftsman are expropriated, held by the capitalist class as privately owned means of production. Peasants are no more tied to the land, artisans no more tied to the guild. Instead, they are labourers, formally free to work for whichever capitalist they choose. Their work marks the commodification of labour, distinctive to capitalism. In this, the capitalist buys the workers' labour power for a wage. In their working day, workers work to pay themselves (a small part of the day), to replace the existing stock of capital (another part) and to produce surplus for the capitalist (often the longest part), which is appropriated as profit and accumulated as capital. Since the working day is not partitioned into three separate sections and labelled accordingly, it appears that the capitalist is paying for the value of the whole day's labour. Thus it is that the organisation of the production process conceals the manner in which the surplus is extracted.

Unlike Ancient Slavery, Feudalism, and the Asiatic and African mode, labour under capitalism formally is free, rather than compelled, and direct force is not an integral part of the production process. Instead, and again unlike other modes, ideological and cultural forces, especially the media and the system of rights embodied in the rule of law, play an important role in ensuring social stability. This opens the door to a political economy of culture, derived from the works of Antonio Gramsci, leading in turn to the field of cultural studies (Hall 1997). Gramscian notions of 'hegemony' become particularly appealing for cultural anthropologists seeking a political-economic understanding of culture (Crehan 2002). Conversely, a 'cultural economics', which focuses on analysing the impact of cultural rhetorics on economic categories and behaviour, emerges as an important perspective in economic anthropology (Gudeman 2009).

Capitalism is far more productive than all previous modes, because it facilitates the accumulation of capital and the centralisation of the means of production. The division of labour becomes international, scientific technology is applied directly to the process of production, there is an immense socialisation and internationalisation of the forces of production, capital is systematically exported to less-capitalist economies. A

global economy emerges. Yet the means of production continue to be privately owned. It is this fundamental contradiction that is thought to generate crises of overproduction, such as the crisis that began in 2007, which ultimately transform capitalism into socialism. With this, the means of production are removed from private hands and placed in public ownership, so that the social relations of production now become realigned with the social nature of the forces of production.

This view of capitalism and its transcendence contains a theory of value, a theory of money and a theory of 'realisation'. The expansion of capitalism is a central tenet in political economy (Harvey 2003), and it leads to a marked distinction between the sphere in which value arises, always and only production, and the sphere in which it is exchanged, realised and distributed. Value, however, is not unitary. Rather, there are two sorts, 'use value' and 'value'. Use value arises from the physical properties of an object that make it useful in one way or another: a coat provides warmth. On the other hand, 'value' arises from the social importance attached to things, and so is socially derived. In societies dominated by market relations, value in this second, social sense is expressed as 'exchange value', and in a capitalist economy it is approximated by price. Money is a measure and a store of this value, and while demand and supply cause fluctuations in the exchange value of objects, their price, they are not themselves the source of value. Instead, the source of objects' exchange value is the quantity of socially necessary labour time expended on their production. Finally, the production of value is only one part of the economic process, for this value has to be realised, which happens when things are consumed. That realisation routinely involves more or less circulation of objects through various sorts of exchange. In a capitalist economy this process of realisation is extremely complex, as almost everything is bought and sold on the market, including human labour power. Some of the things that circulate are used for direct consumption, some for consumption in the process of production, and increasingly they circulate in a global market, including stock and currency markets. Global market exchange then becomes the only feasible way for the globally embodied value in products to find expression. The process of the realisation and distribution of value, especially of surplus value, between the different parties to this global exchange, and hence between the different branches of the economy that they represent, becomes rife with contradictions.

Because of its focus on production, political economy often slights the dynamics of the processes of distribution, exchange and accumulation of surplus value, especially of price and profit mechanisms. However, these processes provide the main mechanism for measuring and realising social value when production takes place on a large scale. The market

goes beyond being a necessary adjunct to the production process, for it is a part of the realisation process and has a profound effect on production. Even where the means of production are socially owned and there is some degree of central planning, some social process of distribution and exchange remains the only way to realise value in economic systems in which production is widely dispersed.

Failure to attend properly to the processes of the realisation of value can lead to the neglect of objective measures of value in the purchasing decisions of real consumers, including consumption for production, which has been fatal for economies that claim to be socialist. Conversely, attending to realisation while slighting production brings its own problems. Contemporary anti-globalisation theory centres its critique on the process of exchange, which is deeply problematic (Cavanagh 2002). These 'localist' alternatives try to abolish neoliberal globalisation by restricting the role and scale of exchange, rather than by redirecting globalisation through forms of social ownership and control of the means of production, and through forms of supervision and regulation of the international market.

Progress and historicism

The model and arguments I have described reflect and are shaped by an idea of progress derived from the Enlightenment, in the form of historical and dialectical materialism. This approach to economic history makes two principal assumptions that have been strongly contested by anthropologists, both those who adopt political economy and those who do not.

The first assumption is that there is an objective social reality that exists independent of the consciousness of the anthropologist and, more broadly, of the cultural categories of those who look at the world. In other words, this first assumption is that social reality is not constructed but is discovered, albeit through a cognitively complex and contradictory process. This objective social reality, and especially the mode of production, is the appropriate subject matter of economic anthropology. The mode of production is a complex whole made up of economy, polity and the social, and is often referred to as a 'social formation'. This social formation is ordered, in the sense that political economy holds that social being (economics, politics) determines social consciousness (culture, ideology). In this sense, deeply influenced by Hegelian philosophical ideas, the Scottish–English civil-society tradition and French rationalism, political economy sits more easily with social than it does with cultural anthropology.

The second assumption is that these modes of production and their associated social formations develop through history in an evolutionary sequence. Thus, from this perspective it is possible to construct a theoretic-

cally coherent and objective global economic history. This is not simply an account of technological or material progress, but a unified history of humanity that is at the same time a history of human progress, a broad story of human social, political and spiritual emancipation. Such a view clearly assumes the existence of a single objective notion of time that has a validity beyond any specific cultural construction. This combination of objective development in objective time is called 'historicism' and is rejected as a modernist illusion by those in history and anthropology influenced by postmodernism. There is hot debate about whether historicism is possible at all, how fruitful it might be and the broader consequences of adhering to it (for example, Chakrabarty 2000; Pomeranz 2001; see also American Anthropological Association 2002: 179).

Political economists have responded in various ways to this debate, although all accept the objectivity of time and reject the charge of historicism. One important position, which prevailed during the period of Soviet dominance of Marxist theory, might be called the 'orthodox' one. It held to the conception of four universal economic and historical epochs that succeeded each other inexorably and on a global scale. Primitive Communalism was succeeded by Slavery, which was succeeded by Feudalism. Feudalism was succeeded by Capitalism, which has been superseded by Socialism. According to this interpretation of Marx and Engels, the Soviet Union was no ordinary nation, but was the culmination of thousands of years of human economic history. Anthropologists who adhered to this orthodoxy were compelled to find Feudalism in Africa and to hunt for signs of a Slave mode in China. Moreover, they accepted the notion that this single, global economic history was, at its core, the economic history of the Western world. Others, Wolf's (1982) 'people without history' who are the usual subjects of anthropological enquiry, could be approached only as objects within the framework of an irresistible Western economic dynamic. They had economies to which things were done by the West in the process of colonial expansion. Their own distinctive economic development, if such existed at all, was of purely local significance and a dead end at the global level. The initiative in world economic history belonged solely to the West.

The French structural Marxists adopted a different approach. Within the framework of political economy, they raised the critical general question of the diversity and coherence in global economic history, and did so on empirical and philosophical bases. Empirically, as already noted, they rooted their work in careful ethnographic and historical work. So, Meillassoux (1970), in his detailed empirical analysis of the economy of the Guro of the Ivory Coast, posited a 'lineage' mode of production combined with a dominating 'colonial-commercial' mode. Terray (1972) went

further, and argued that what appeared to be a single lineage mode in Guro was in reality two modes, one based on the labour of all members of the village and another based on labour confined to the lineage.

Their work reintroduced the notion of the 'articulation' of modes of production in a single production system, the possibility that a production system could consist of two or more modes of production, articulated in such a way that one was dominant (Foster-Carter 1978). In the United States, Wolf, who was influenced by world-systems theory (see Eades chap. 2, *supra*), sought to extend the idea of articulation (while remaining silent on the accompanying political implications, see below). He (Wolf 1982) tried, though unsuccessfully, to eliminate Feudalism as a mode and to merge all pre-capitalist class economies into a single Tributary mode. As Godelier pointed out, Wolf was confusing different labour processes *within* a single mode, with different modes, but he (Godelier 1978) complicated the picture by reviving the idea of the Asiatic mode. As noted above, Coquery-Vidrovitch (1978) went further, and proposed an African mode of production.

The critical issue in this work was not the specific constructs that were proposed. Rather, it was the 'plurality of forms of transition to class society' and 'of the [diverse] way[s] in which inequality is introduced into classless societies and leads to the appearance of antagonistic contradictions and the formation of a dominant class' (Godelier 1978: 237–43). In considering this plurality and diversity, structuralist political economy returned to a view more compatible with traditional anthropological relativism. It ceased to treat Western economic history, with its early development of private property, as the standard for all economic history, and in fact saw it as the exception. This marked a de-centring of the West greater than was the case with world-systems theory (Wallerstein 1997).

Structural Marxism, however, went further still. Deeply influenced by the structuralism of Lévi-Strauss and Althusser, it emphasised that structures were synchronic, not diachronic. The logic of structures led them to perpetually reproduce themselves, making them fundamentally ahistorical. This view inclined structural Marxists to hold that history had no structure, that there was no force generating change from within and that change itself had no logic. Each mode existed in its own right, led in no particular direction, was part of no larger, structurally coherent, global whole. This, of course, made it difficult to speak of a theoretically coherent, universal economic history.

These conclusions have consequences. For one thing, they reduce the epistemological status of history relative to anthropology, a discipline that is more clearly concerned with the level at which structures are thought to exist. Also, the character of 'structure' becomes ambiguous. Specifically,

the objective economic structure of orthodox political economy becomes only one of an ensemble of structures that constitute society and culture. Following the arguments of Émile Durkheim and, especially, Lévi-Strauss, the structures of that ensemble, whether found in language, marriage rules, religion or the mode of production, are expressions of the same underlying structure, so that they all mirror each other (Dews 1994). This notion of the economy as an expression of a deep, mentalistic structure had a lasting impact on the work of many anthropologists (notably, Sahlin 1978). More to the point, by locating causality in a self-subsistent structure it undermines both individual and collective agency. The important agency lies in the structures, which have a logic of their own and seem to be able to act of their own accord. Economic determinism is rejected, only to be replaced by a supra-individual cultural determinism.

Yet structural political economy stopped short of rejecting the notion of objective historical time, the view put forward by Leach (1976). Given the basic assumptions of Marxism, the critique of historicism could be accepted only very partially. Godelier affirmed 'plurality' in the various trajectories of economic history while reaffirming, by way of a complex line of reasoning, that there is such a thing as global economic history and that Western economic history provides the only framework for this. He (Godelier 1978: 246–8) concluded by arguing that while modes of production are diverse and do not succeed each other in any preordained direction, Western economic history still provided the 'typical line of development of humanity' because 'it alone has created the pre-conditions for Western and all other societies to pass beyond the organisation of class society'. He (1978: 248–9, original emphasis) wrote of Western economic history: 'It is typical because it has value as a "model" or "norm" because it *provides possibilities* which no other single history has offered and gives other societies the possibility of *saving themselves the intermediary stages*'.

Capitalism, dependency and class formation

Godelier's comment about 'the possibility of saving themselves the intermediary stages' is an oblique allusion to one of the topics debated in political economy in that period, the possibility of bypassing the capitalist stage. At issue here was the assertion made by the articulation school, that pre-capitalist relations played an indispensable role in subsidising the reproduction of capital, especially in Africa (for example, Meillassoux 1981). Widespread exploitation of migrant labour in the mining sector meant that African peasant society bore a substantial part of the burden of the reproduction of labour power in the towns. This implied that capitalism was sustaining itself in Africa by means of exploiting archaic articulations that existed in villages and, accordingly, had no real interest in

regional economic and social progress or in reducing poverty. This had a further implication: Africa and Latin America could and should abandon the capitalist path of development, which was not developmental at all, bypassing capitalism in its entirety and proceeding directly to socialism.

The leading proponents of what came to be called 'dependency' or 'world-systems' theory argued that capitalism was the cause of African and Latin American poverty and political repression. Rather than promoting development, it had led to the 'development of underdevelopment' or to particularly intractable forms of 'dependent development' (Amin 1976; Frank 1966; Rodney 1973; Wallerstein 1997). Others, such as Brenner (1977), rejected this 'Neo-Smithian Marxism', arguing that dependency and world-system theory inadvertently had shifted the focus away from production, and were giving undue primacy to the sphere of exchange. Yet others unabashedly asserted the progressive economic role not only of capitalism but also of imperialism, which were ridding Africa of archaic economic and social relationships (Warren 1980). Although coming from a very different political perspective, this last position was not far from the orthodox view, which asserted the necessity, if not for imperialism, at least for a relatively long and complex transitional period of 'non-capitalist development' in the Third World, especially in Africa. The notion that Africa or Latin America was ripe for socialist revolution and that capitalism could simply be bypassed was rejected as 'leftist' and a lapse into 'voluntarism'.

Clearly this was a debate with major political implications. Amin's version of dependency theory argued for de-linking Third World economies from the capitalist world system. In the Latin American literature, arguments raged about whether there was a 'progressive national bourgeoisie' which had a vital economic and political role to play in national development (the Soviet view) or whether the entire upper strata of society were 'comprador' and historically and politically bankrupt (Cardoso and Enzo 1979). Like many political economists, especially those working on South Africa (Legassick 1975), Godelier rejected the Soviet argument. Some, following the approach of the Russian populist Chayanov (1966), denied that class formation was unfolding in the countryside. Other historians and anthropologists, working on Africa, documented a distinctive process of peasant differentiation and class formation, but within a general framework long established in Marxist theory (Bundy 1979; Grier 1981; Howard 1978; Shenton and Lennihan 1981). Much of this work was published in the *Journal of Peasant Studies* and remains highly relevant (Bernstein and Byres 2001).

With the collapse of socialism in Eastern Europe, the extension of market relations in China and the global triumph of neoliberalism, the

debates about 'bypassing capitalism' seemed to have been resolved by life itself. But the issues still simmer in the critiques of neoliberal post-apartheid economic policy in South Africa, for example, and they are likely to be resumed as a result of the economic crisis that began in 2007. The debate has also been reopened by Feinstein's (2005) criticism of the interpretation of South African economic history in the twentieth century by political economists, an interpretation that generally supported the proponents of immediate socialist revolution (Wolpe 1972).

History, time and dialectics

Apart from those intense ideological debates, political economy also rejected the eclecticism of the *Annales* school, in which there are a plurality of 'temporal strata and rhythms – the political, economic, the geographical' (Dews 1994: 112; see Braudel 1982). Likewise, political economy does not accept the thinking of advocates of German 'conceptual' history (*Begriffsgeschichte*), such as Koselleck (1994), who argue that the concept of an objective historical time is a cultural artefact that emerged under certain identifiable historical and cultural conditions. Those advocates said that the concept of an objective historical time having a general validity is a modernist myth. It can, therefore, have no supra-historical validity and cannot provide a framework for a general human history, which, indeed, cannot be said to exist in the objective sense. Similar ideas were developed at the same time in the work of Foucault, Althusser's student (Foucault 1994).

These critiques of historicism continue to influence economic anthropology through the general influence of poststructuralism. The ideas of Edward Said (1995) and Partha Chatterjee (1993), very much in this vein, have also had a major impact. Ultimately, the effect of these ideas is to relocate the economy in the domain of culture in the manner of Sahlins (2001) and, to some degree, Gudeman (for example, Gudeman and Rivera 1990), and to make different economies incommensurable. As noted above, such arguments influenced approaches to the critical issue of the economic development of the Third World, and led to a questioning of the very notion of 'development' (for example, Escobar 1994; Gardner 1996).

But there is another approach to economic history in political economy, one that reaffirms a dialectical historicism. This is of particular importance for economic anthropology, because it has the consequence of problematising the relationship between production and exchange in a theory focused on production. This approach is influenced by Hegel and the young Marx. It conceives of economic history as a dialectical process (Hegel 1979; Lukacs 1971). This affirms the objectivity of historical time and the structural coherence of global economic history, but holds that

the structural coherence is not stable in the way of a Lévi-Straussian deep structure built on basic binary oppositions. Rather, the economic structure reflects internal contradictions, and the resolution of these contradictions leads to economic advance and is the basis of the coherence in human history.

What is crucial is the manner in which the contradictions are overcome: a process captured in the Hegelian notion of *Aufhebung* or 'sublation of bourgeois *Gesellschaft*' (Fritzsche 1999: 153). In this view, historical advance is not a simple negation of the old by the triumphant march of the new. On the contrary, what is harmful is shed but, at the same time, what is worthwhile and of lasting value is retained and extended. The past, then, is not superseded in the sense of being abandoned, but in the sense of being purified and extended. From this point of view, global economic history may be ruptured by the transformation of one mode of production into another, but it is also a process of continuity and cumulative human economic advance.

This is an important idea. An anthropological political economy that is humanist because it is dialectical has profound political and economic consequences. For example, one result is that once they are stripped of their formalism, abstract bourgeois rights (for example, freedom of speech, movement and assembly) contain many elements of lasting value (Neumann 1996). The same applies to the market and to exchange relations in general. Unlike what has occurred in all examples of socialism so far developed, the transformation of capitalist economy cannot proceed simply by cancelling all previous economic relations on the grounds that they are bourgeois. On the contrary, transformation must seek to expand them by making them substantive rather than only formal. The market or, for that matter, commodification, cannot be simply abolished. Paradoxically, relations of exchange can only be 'sublated', a process of extension which gives them substance. This approach has major implications for efforts to critique neoliberal globalisation and to resolve the persistent economic crises of today.

Note

1. The political economy important in economic anthropology is broadly Marxian. It derives from the works of Hegel, and from the critique of British political economy in the work of Marx and of Engels. There is also a political economy springing from the application of rational-choice theory to political decision-making, ultimately deriving from the work of Adam Smith, and it exists in anthropology (Bates 1987) and economic history (Austin 2005). This neo-classical political economy is not the subject matter of this chapter.

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4 Decisions and choices: the rationality of economic actors

Sutti Ortiz

While economists are concerned with how markets direct the actions of profit-maximising actors, anthropologists have been interested in exploring how actors' perceptions, social relations and obligations affect their economic decisions. This wider social perspective emerged when agricultural research stations began to design programmes to increase the productivity of small farmers in Africa, Asia and Latin America. It became clear that an economic evaluation of the technical packages designed by agronomists did not suffice to produce successful programmes. In addition, ecological, social and political conditions of the region and the goals and preferences of farmers had to be considered, as well as the information that was available to producers and the risks that they had to assume. This wider approach was known as Farming Systems Research, which has been used also to examine problematic issues in natural resource management and response to natural disasters. It relied on interdisciplinary teams that included anthropologists and sociologists, though in secondary roles.

Economic actors: individuals or households?

One of the key findings that anthropologists and sociologists brought to Farming Systems Research was that, in non-Western societies, resources were often controlled, and decisions were often made, by household or larger kin-based units rather than by individuals. In Farming Systems Research, the household became the unit of analysis (Mook 1986; Shaner et al. 1982; Turner and Brush 1987). Anthropologists and sociologists arrived at a similar conclusion when they studied consumption and job-search activities in capitalist societies. Anthropologists, however, were not the only ones to identify households as decision-making units.

In the 1920s, Chayanov had recognised the significance of households in peasant production decisions (Chayanov 1966; Durrenberger 1984; Ellis 1988; Tannenbaum 1984). Sahlins (1972) introduced Chayanov to English-speaking anthropologists and his ideas became popular during the 1960s and 1970s. However, some of the assumptions contained in the model limited its applicability: households are not internally differ-

entiated, peasant households are not plagued by uncertain outcomes or land scarcity, peasant households pool and share resources (Barnum and Squire 1979; Ellis 1988).

Becker agreed that, even in capitalist societies, the household is a unit of production as well as consumption. Production decisions are related to the ability or desire of household members to participate in the labour market. A wife, for example, can choose to stay home to bake the daily bread, take care of children and make their own clothing, or choose to work part-time and purchase ready-made food or hire domestic help. Becker argued that the decisions are related to prices, forgone wages of stay-at-home workers and available technology. The number of children, likewise, is expected to relate to the cost of upbringing and expected future benefits. The underlying principle guiding the decisions is the desire to maximise utility at the household level (Becker 1965, 1981; Ellis 1988).

Becker's model became known as the New Household Economics; it influenced many economists concerned with agricultural development in Africa and Latin America. Low (1986) made use of it to analyse farmers in Africa by adding some other relevant variables, and ended up challenging the assumption that family welfare always increases with a corresponding increase in the agricultural productivity of their land. Low pointed out that welfare is, in part, a function of purchased goods, often from wages that are more likely to be earned by men than by women. Furthermore, as Murray (1981) had pointed out, labour migration erodes the labour available for farming and burdens the women of the household with triple duties: farming the land, producing food for the household and taking care of the children. Thus, to understand production decisions and predict the welfare of household members it is important to evaluate all household activities (production and wage-earning activities) and the pooling and distribution of food and cash.

Becker's argument, however, is problematic also because it assumes that the head of the household is the coordinator of activities and the maker of decisions. He further assumes that the preferences of all household members can be summarised in a single utility curve that represents what is best for the family. When it was pointed out that the head of a household may not be as concerned with the preferences of wives, sons and daughters as with his own preferences, Becker (1965, 1981) countered that it was in the interest of the head to behave altruistically. His reply has met with the objection of some economists (Doss 1996; Hart 1992; Stark 1992) and with counter-evidence from anthropologists, who noted that social and power relations within the household delineate lines of cooperation and competition and determine who commands specific decisions.

Rice farmers in northern Cameroon

Massa sons remain in their natal compound and are joined eventually by their young wives (Jones 1986). Compounds are significant social and economic units but they are not a simple unit of production. All members help with the planting, weeding and harvesting of a shared sorghum field. However, each of the husband's wives is assigned her own fields to grow food for herself and her children. Each of them has her own granary and decides what to grow and how much. The husband gives them some grain when their granaries are empty; in return, co-wives alternate cooking for him.

Rice production was introduced in the 1970s. The land used for this crop was controlled by a semi-autonomous government institution (SEMRY) that oversaw the management of irrigated fields and provided plough services, seedlings, fertilisers, herbicides and technical advice. Individuals had to register to receive a rice-growing plot and were charged a fee for the services rendered. Farmers were required to sell most of the paddy to SEMRY, but were allowed to retain some for home consumption. Thus, rice agriculture yielded both cash and some food to each wife of the family.

The amount of rice grown depended on the willingness of the wives to contribute labour in their husband's rice fields for a small recompense. Although they cannot altogether shirk working in the rice fields, wives did not commit the optimum amount of labour to maximise the income of the household; married women worked only 59 days in rice fields, while unmarried women worked 74 days. Wives were not too interested in the income from rice fields since it was managed by the husband, and men preferred to invest in cattle and bridewealth transactions rather than in the consumer goods that appealed to their wives. A wife could satisfy her preferences if she used more of her time to work in her own fields or to produce crafts for sale, and made her purchases from her separate income. Jones argues that by limiting their labour contribution, women were bargaining for a greater share of the rice sold, and that men were still unwilling to entice the labour of women with a greater recompense.

Urban households in Mexico

Studies of nuclear households in urban Mexico also show a complex pattern of intra-household negotiations and distribution of resources. Seventy three per cent of urban households are headed by a husband who has considerable authority and responsibility over his wife and unmarried children (Selby et al. 1990). He must work for a wage to support his family, and women and children must find ways of earning extra cash to cover household needs. Studies of household budgets paint a picture similar to the one described by Jones. In one-third of the households in

urban Oaxaca, the income earned by each member is pooled. In another third, the husbands gave their wives a fixed amount of money for food expenses and paid for other expenses as the need arose. In the rest, mostly the poorest, the husbands gave all the money to their wives, retaining only a share for their own personal expenses. Although women may manage the household budget, they are not the controllers of the income. A wife is unlikely to know how much her husband earns unless he shows her the pay stub.

The pooling of household income was more frequent in the households of Mexico City studied by Benería and Roldán (1987), where women worked at home assembling garments, toys or plastic containers. But even in this case, the men retained some cash, never revealing what they were keeping to themselves, a point of contention that often exploded into quarrels. Since the wives were responsible for buying food, clothing, paying rent and covering other regular household expenses, they either had to negotiate for a higher contribution or find ways of earning cash. The latter option was more frequent. However, how a wife balanced cash-earning, leisure and domestic activities was also dependent on the struggle over contributions from her husband, and her bargaining power over the share that she received from her husband increased as her ability to contribute to household expense increased. From this study it is clear that if the woman remained at home, she was the one who decided how many hours she dedicated to cash-earning activities. It was her preferences for furnishings, clothing and education of the children that drove her decisions, rather than a joint household preference curve and the opportunity wage of each household member.

These two examples illustrate the complexity of household decisions and variations in resource pooling and control, and show that Becker's model may generate unreliable predictions about domestic production and the distribution of income from cash crops, remittances or increased food production. Thus, economists should first examine the organisation of the household, the degree of autonomy and responsibility of each member, power relations and bargaining spaces allowed to members according to age and gender (see Stivens chap. 18, *infra*). It is equally important to determine the scope of conflicting preferences and the degree of income pooling. In the past decade or two bargaining models have been proposed that attend to these issues (Doss 1996; Haddad et al. 1997). They are useful to answer questions about the impact of income changes on welfare (Carter and Katz 1997; Duncan 1997; Folbres 1997); for example, whether policies that increase the participation of women in labour markets might have a greater beneficial effect on the welfare and education of children than policies to increase cash-crop production.

Problem-solving actors

The Economic Man at the heart of microeconomic models is a logical thinker who evaluates options consistently and coherently, and selects those that maximise his utility. If people's decisions do not conform to microeconomic predictions, it raises questions about the efficiency of resource allocations

Anthropologists, psychologists and sociologists do not deny that economic decisions, sometimes, may be logical and even profit maximising. However, they question the universality of profit or utility maximisation even in advanced capitalist societies. Psychologists have argued that allocation problems are so complex that they preclude the reasoning implied in economic models. They have instead encouraged an examination of how options are evaluated and decisions are made. This substantive, behavioural approach leads to propositions that have challenged or have served to correct microeconomic theories (Fox 2009). On the one hand, the behavioural study of decisions has shown that actions that microeconomic models judge as irrational may be reasonable responses to conditions faced by peasant producers. On the other hand, it has shown that the standard theory of choice 'allows many foolish decisions to be called rational' (Kahneman and Tversky 2000: 772).

Allocations under uncertainty

Regardless of their ability to argue rationally, economic men are rarely so well informed that they can predict with confidence what output they will obtain or what price it will fetch. Peasant farmers have a particularly difficult time making such predictions. They must allocate resources expecting a very wide range of results, some most welcomed, others disastrous. For instance, West African small farmers in Burkina Faso, as a result of poor soils and intermittent rains, have to endure a 24 per cent chance of subsistence shortfall (Carter 1997).

Field researchers cannot fail to notice that peasant farmers are familiar with risks. Answers to questions about yields often start with the preamble 'who knows' or 'God willing'. Further, they are not risk averse, in spite of predictions based on studies of responses to gambling games (Binswanger 1980). Peasants' responses to risky new technology vary according to their circumstances. Cancian (1979, 1980) states that farmers with less available land and with lower income are, paradoxically, more likely to adopt innovations than those who have greater access to land and higher income from production, but that as the adoption process progresses, the proportion of better-off farmers willing to innovate increases significantly. He linked the change of response to increased availability of information. Other factors can be important too. For instance, when fertilisers were

made available to peasants in a community in northern Mexico in 1972, 39 per cent of the poorest and 53 percent of the richest farmers purchased it (Dewalt and Dewalt 1980). However, the percentage increased when credit was made available, and the difference between the two groups decreased; 78 per cent of the poorest and 71 per cent of the richest farmers purchased fertilisers. To the poorest peasants, able to produce only 64 per cent of the corn needed for subsistence without fertilisers, that input was attractive. Middle-income farmers were able to meet consumption needs; they showed little interest in a purchase that would increase their cost of production. However, the richest farmers invested in fertilisers because it allowed them to sell surplus corn. 'Social situation rather than personal characteristics should be given primacy in explaining adoption and in designing programs to promote change' (Cancian 1979: 89). Further, individuals are more likely to express aversion to losses that affect the status quo than to gains and advantages (Kahneman and Tversky 1997).

Protective strategies

One key aspect of the Mexican case study is that the farmers were trying to ensure a basic food supply through production rather than purchase, in order to reserve their limited cash for other important expenses. Economists have labelled this strategy 'safety first' (Anderson 1979; Lipton 1968). It is a common practice among Colombian peasants to set aside a field large enough to produce food for household consumption, their *pan coger* (bread yielding) field. Cash crops are planted in the remainder of their land. Another frequent strategy, used when land is plentiful, is to cultivate fields in different ecological niches (Orlove and Godoy 1986) or plant a field with different varieties of the same crop (Brush 1977, 1983).

Anthropologists and sociologists have described a number of social strategies that allow small farmers to confront uncertain prospects. Hard-to-refuse requests for gifts or loans of food are often used to alleviate the consequences of fluctuating incomes and outputs. It is hard to document the significance of these since households keep no record and recalls are unreliable. Nevertheless, the significance of these exchanges is often acknowledged. A hungry kinsman would always receive a gift or loan of food as long as relations had been collaborative (Ortiz 1973: 225–39).

In some societies these obligations are pervasive and can involve a significant share of household resources, but changing economic conditions can alter their effectiveness. Polier (2000) describes the impact of gifts on the income of mine works in western Papua New Guinea. Native shifting agriculturists became low-rank workers in the copper mines located two days' walk away from their homes. The families of most of these labourers remain in their villages so that the wives could grow food to send to

husbands or experiment with European food crops to sell for cash at the mines. When labourers receive their fortnightly pay, they are confronted by innumerable requests from kinsmen, for money for marriage payments, school fees and other expenses. Sharing their cash income assures labourers protection for their wife and children and a place in their village, in case they lose their jobs at the mine. However, workers do not see the gifts as an insurance premium, nor do they calculate what is given and received. Also, they often resent the pressure of demands. 'Keeping one's income from being "eaten," they say, creates a challenge to conceal one's resources without flagrantly defying social norms of generosity and caregiving' (Polier 2000: 201). In order to protect some of their wage income, these migrant labourers open savings accounts, participate in rotating credit associations, open village stores and, at great expense, build solid houses. Although the moral obligation to give was still powerful, labourers had begun to wish that kin would act like strangers. There was already clear evidence of social differentiation and a rupture in solidary relations. When social, political or economic changes weaken social networks or introduce conflictive options, then redistribution to the poor and needy may suffer. But changes are often inevitable and welcome by some.

Patrons also can come to the rescue in bad times. Patrons, however, do not automatically emerge when needed. They are only available in societies where some of the following conditions prevail: considerable income differentiation, shortage of labourers, strong power asymmetries or elite control of resources (Platteau 1995). Furthermore, patrons will support only clients who have been willing to endure their demands. Patron-client relations are often stressful and fragile, and can be sustained only if patrons profit from them and clients need them (Scott 1985: 184–212).

Gifts, exchanges, savings accounts and credit associations serve as safety nets akin to food stamps, help from benevolent societies or bank accounts. It is thus important to understand the possible ramifications of policies geared to incorporate peasants more closely to fluctuating markets and the effect that this will have on safety strategies and the social networks that protect their welfare. When food crops become market commodities, food gifts often decrease as they conflict with the need to satisfy a demand for cash. It is also important to keep in mind that some efforts to increase economic efficiency and productivity affect access to land and constrain diversification, thus exposing peasants to greater risk from crop fluctuations. We have to ask whether peasant households can protect themselves from ecological and market shocks when policies alter their access to land, weaken community relations and increase market exposure. This does not mean that traditional systems offer social security without great social

costs (Platteau 1991), but we have to be ready to offer alternative strategies when their systems are undermined.

Processing information and ordering preferences

In their introduction to their textbook on microeconomics, Bardhan and Udry (1999: 5) remark that their adherence to the principle of maximisation 'should be regarded more as a crude heuristic device than a definitive statement on human behavioral regularity'. Nevertheless, they consider it a useful working hypothesis because it allows them to generate normative solutions to theoretical problems. However, they (1999: 5) warn us not to 'undervalue the substantive role of social interaction in influencing human behavior or in determining the rules of the game that individuals play'. Sen (1977, 1994) has expressed a stronger concern: the inability of microeconomic models to integrate relevant aspects of social reality when modelling economic behaviour.

Anthropologists have challenged some of the assumptions of microeconomic models by focusing on how culture and social relations frame the decision process. Mayer and Glave (1999: 345) suggest that Peruvian 'peasants evaluate profit and losses in terms of a simple cash-out and cash-in flow, ignoring household inputs and family labor'. Appadurai (1991) shows that food-provision decisions by Indian women are made as part of other decisions, in a pre-attentive manner except when the problem becomes crucial. Other anthropologists have focused on how power and social conditions define options. Psychologists, instead, have focused on how decisions are made. They have examined how individuals simplify information in order to attend to their preferences and how they evaluate the uncertain outcomes they experience. Some of their findings and propositions have been used by some anthropologists to explore cropping decisions (Gladwin 1975, 1979a, 1979b, 1980) or marketing decisions (Quinn 1978).

Gladwin (1980) explored the cropping decisions of Guatemalan peasants using Tversky and Kahneman's information-processing model (Tversky 1972; Tversky and Kahneman 1974). From interviews, Gladwin identified the crops or crop combinations that were considered by her informants. She then elicited farmers' constraints and evaluative elements: demand, suitability of crop to field and climate conditions, experienced yield variations, time and labour requirement of the crop, cost of inputs, timing of the harvest and attractiveness of the crop as a staple. From discussions with farmers, she was able to order sequentially their evaluative elements and constraints. Gladwin's model assumes that the farmer evaluates, for each crop, one element or constraint at a time. If the evaluations are positive, the farmer will dedicate some of the land to the crop. In this

way he will consider each one of the crops or options, discarding some and retaining others. By eliciting the steps used by farmers to solve their allocation problem, Gladwin was able to recommend strategies that targeted the concerns of farmers and to identify technologies that preclude adoption because of high risk. For example, technologies that require less land or reduce demands of family labour may be more attractive to small farmers than technologies that increase yields.

Since Gladwin published her findings, psychologists have elaborated their heuristic models (Kahneman and Tversky 2000) and Kahneman was awarded the Nobel prize for his contribution. The power of this substantive approach is that it elicits the options and conditions as visualised by the farmers. It also brings to attention options, derived from years of experience in farming and forest regeneration in their region, that might not have been entertained by technical experts. It will facilitate the design of appropriate technical packages or suggest a more flexible approach that builds on existing knowledge and competencies. Anthropologists still need to determine whether these models capture how farmers in other societies decide how to allocate resources and how they negotiate cultural rules and scripts.

Bargaining actors

Most peasants and commercial farmers are not lone decision makers: they interact with others in order to gain access to land and labour. Peasants can expand production by borrowing, renting or sharecropping land. However, unless they have a large family they will also need to hire labourers or negotiate a reciprocal labour exchange. The most pressing issue for commercial farmers is to attract wage labourers at an acceptable rate. These producers cannot solve their problem by simply evaluating costs, risks and preferences. They have to negotiate with others, keeping in mind not only direct costs but also hidden transaction costs of each offer and counter-offer. Borrowing land may engage a peasant in some future debt, sharecropping may limit how he can use the land. Commercial farmers have to consider the indirect management cost of various contractual arrangements (for example, supervision costs, productivity).

Sharecropping

Sharecropping is an ancient institution that still pervades many countries. Its persistence has been explained by economists as a means of risk sharing, or as a work incentive when the effort of a labourer is hard to observe. Sharecropping has been regarded as inefficient by some economists and efficient by others, but their arguments have not helped to resolve divergent conclusions. There are still wide-ranging explanations for the use of

share contracts and for the rationale used to determine shares (Hayami and Otsuka 1993; Sharma and Drèze 1996). These arguments are unlikely to be resolved, because the studies often compare very different sharecropping systems. Furthermore, the microeconomic models used to evaluate them routinely disregard related institutional arrangements.

Power imbalances, for example, are often disregarded, yet this is a critical issue in the bargaining process. Wells's (1984, 1996) account of the adoption of share contracts by strawberry producers in California, and the subsequent return to day- and piece-rate contracts, serves to illustrate the multiple characteristics of sharecropping and the role of government, unions and growers' organisations in defining the nature of the contract.

Before the Second World War, 90 per cent of the strawberries in California were grown by Japanese farmers who were not allowed to own land. These farmers sharecropped 37.9 per cent of the land that they planted with strawberries. The sharecropper contributed labour and other inputs, which depended on the resources of each party, on the landlord's interest in farming and on the social relations between them. In many areas sharecroppers and landlords were protected by organisations that helped to negotiate appropriate arrangements and to settle disputes. The sharecroppers often participated in a marketing cooperative that handled 90 per cent of strawberries grown in California and played a key role in disseminating new technology for growing and marketing. These arrangements helped the Japanese sharecroppers to prosper.

The Second World War put an end to that prosperity, as Japanese farmers were sent to detention camps. When the Alien Land Laws were repealed in 1952 and the Japanese were able to return to farming, they chose to return as landlords rather than sharecroppers, and they increased production by using hired labourers. The Bracero Program assured growers of a cheap source of migrant Mexican labourers in 1963; Bracero labourers accounted for 63 per cent of the total strawberry-picking hours (Wells 1984: 13). However, during the 1960s the United Farm Workers of America (UFW) began to organise workers. Strikes, boycotts and the end of the Bracero Program in 1964 spelled the end of cheap labour. Furthermore, public outrage at the working conditions of seasonal labourers forced the state to extend protective legislation. One of the strategies used by growers to counter the rising cost of labour was to reorganise farm management. Instead of hiring piece-rate harvesters and day labourers, large growers divided their farms into 2.5–3.5 acre plots and assigned each to a family on a sharecropping basis. The owner, however, retained control over the technical aspects of strawberry agriculture and assigned a supervisor per large field. The landowners prepared the land, provided the plants, fertilisers, pesticides and machinery and indicated

when each task had to be performed. The sharecropper was responsible for the labour required for maintaining the plots, harvesting, packing the fruit, hiring, paying and supervising non-family labour. The responsibility of and the share due to each party were spelled out in a written contract, and the sharecroppers were not allowed to negotiate the terms; they could only refuse to enter into the agreement (Wells 1984: 17). These conditions were acceptable to many candidates because of their illegal status: they could bring their families, and were offered housing and protection from immigration patrols.

While this arrangement worked in the short run, it eventually led to tensions and legal challenges. Strawberry producers had categorised their sharecroppers as independent contractors in order to bypass the labour legislation, and being a sharecropper was a cherished identity for the striving migrant. Wells (1996), however, describes growing tensions, at first with the growers' supervisors over performance and then with the growers over their remuneration. It culminated in a series of lawsuits against farm operators in the 1970s. She ascribes this move to the involvement of advocates and a rapprochement with the UFW. The case was eventually settled out of court but it had profound implications for labour management, because it was used to argue that sharecroppers were wage workers in disguise, hence not exempt from protective labour legislation. The response of growers varied: some gave more autonomy to sharecroppers and required greater financial responsibility from them; others shifted back to hiring wage labourers. 'By 1987, the proportion of sharecropped berry acreage on the central coast had shrunk from about 50 percent to about 10 percent' (Wells 1996: 270).

This study illustrates that the use of sharecropping can benefit both parties when there is a power balance between principal and agent, as was the case prior to the Second World War. But after 1964, as principals gained greater power, the working relation with their sharecroppers broke down. Sharecropping ceased to be a reliable work incentive and an effective means of getting cheap labourers.

Hiring wage labourers

Neoclassical models no longer assume that agricultural producers maximise utility. They are expected to be content with a second-best solution that resolves a number of conflicting production problems: commodity prices, the cost of ensuring the intensity and quality of effort, the cost of gaining information about responsibility and reliability and the cost of attracting and hiring appropriate labourers. Labourers, in turn, are expected to be concerned about working conditions and the regularity and the level of expected income. These issues became apparent with field experience, the

availability of survey information and more detailed case studies about producers' managerial decision.

The above problems are considered as key factors that explain farmers' choices and responses. The cost to screen applicants in order to avoid unsuitable labourers is used to explain farmers' reluctance to hire strangers. The use of labour contractors is explained as a strategy to reduce information and hiring costs. Labour contractors are considered to be in a good position to recruit labourers with a lower opportunity wage and more immune to unionisation efforts (Vandeman et al. 1991), but tend to be avoided when labourers are needed for longer seasons and when ability and quality of performance are important. Contractors are also avoided when farmers distrust their responsibility or loyalty, as was the case in Colombia at the height of the coffee boom when producers needed to attract half of their harvesters from neighbouring regions (Ortiz 1999). The preference for piece-rate contracts at harvest time is accounted for by its effectiveness as an effort-enticing arrangement. The strategy of retaining some labourers on secure, long-term day contracts while hiring others only when needed is explained as a means to reduce costs without risking the reliability and availability of labour at critical moments. The willingness of some labourers to tolerate lower pay in exchange for longer employment or attachment to a farm is explained as risk avoidance on the part of the labourer. In Colombia, seasonal labourers valued harvesting in particular large farms, despite the lower piece rates, not only because they felt well treated but because the owner was able and willing to extend the harvesting season by hiring fewer labourers (Ortiz 1999).

Although neoclassical models have become more effective analytical tools, economists are still plagued by conflicting conclusions, the inability to fully explain the co-existence of many different contractual arrangements in one locality or farm, the occasional wide dispersion of wages and the gendered nature of the labour market. They also cannot explain why producers do not always devise more appropriate ways of resolving problems related to the quality of effort or the cost of labour. For example, quality of effort is a key consideration for lemon export producers in Argentina. However, they have been reluctant to offer pay incentives to piece-rate harvesters, justifying their reluctance with moral arguments and handling the problem by introducing technological and managerial changes. Only a small group of these producers added a quality incentive component to the piece-rate contract, and this allowed them to achieve the highest overall fruit quality in the region (Aparicio et al. 2008; Ortiz and Aparicio 2006).

Anthropologists and sociologists, well versed in comparative studies, are familiar with the limitations of explanatory theories. These social scientists regard labour markets as socialised and politicised places

where prospective labourers and producers meet. What transpires in that encounter depends on the bargaining power of each, and the willingness of a powerful farmer to bargain rather than to set the terms of the offer. Greater power may entice hiring strategies to reduce labour costs at the expense of collaborative labour arrangements. Political ideologies of domination or exploitation may enhance collusion among participants, limiting the competitiveness of the market. It is, in fact, impossible to understand market behaviour unless one incorporates relevant social and cultural factors within the analytical framework of decision models. As Solow (1990: 49) indicates, 'We do not compete for each other's job by nibbling away at wage levels because we have been taught that it is unfair to do so, or demeaning, or unacceptable, or perhaps self-destructive'. Once those norms are established 'they draw their force from shared values and social approbation or disapprobation, not from calculation' (1990: 49).

Occasional decisions

While many individual and household decisions are routine, others are infrequent and are configured over a long time. For example, the purchase of a house or condominium is likely to be a rare event made mostly by married couples as they begin to raise a family (Drew 2006). These are difficult decisions centred on social and emotional issues about identity, status and responsibility, with their associated dreams about type of housing, neighbourhood and schooling. These aspirations are negotiated among significant members of a household and converted into visual and locational images that will guide the search for a house. The role, responsibilities and financial power of each member determine who is engaged in searches, negotiations with sellers and the final decisions. Cultural and ethnic factors may lead to the incorporation of non-household members in the process (Levy et al. 2008).

Some researchers have described searching for and buying a house as a linear process not unlike the decision tree suggested by Tversky (1972), while others highlight how emotions transform the decision tree into a 'muddling through' process (Levy et al. 2008). House buying is probably best described as 'space between decision and action, wherein constraints are recognized, strategies shift and compromises developed' (Peterson 2010: 55). That space also includes a painstaking search period, when prospective buyers view houses while trying to narrow the list of options by eliminating those that do not meet a significant number of the practical needs of household members (for example, access to good schools, distance to relevant sites, required facilities, play space, and so on). The physical reality of these needs renders them measurable, and hence useful for this task (Murtaugh and Gladwin 1980). But a house's layout and

looks, its furnishings and decoration, also encode values that are hard to verbalise, instead conveyed by remarks about the relative attractiveness of the property (Ozaki 2005). If there is a perfect match between the images the house conveys and the self-image to which the key negotiator aspires, he or she is likely to ensure that other relevant household members remain engaged in the transaction (Levy et al. 2008), but if that image is not shared by all relevant household members the negotiations are likely to unravel.

As the search progresses, buyers' decisions and actions become enmeshed in institutional constraints and the strategies of other relevant actors. A study of house purchases in Edinburgh and New Zealand illustrate these realities. In New Zealand, real estate agents play a critical role in a booming housing market (Christie et al. 2008; Levy et al. 2008). Although these agents represent the sellers, they guide prospective buyers through house searches, informing them about local market conditions, advising them on price and provisions to be included in the bidding offer. Agents are allowed to make changes to the standard contract, thus reducing the need of a lawyer. If evaluations are needed, agents also connect buyers to a surveyor, builder or mortgage lender. As mediators between buyers and sellers, these real estate agents have significant power, driven by the prospect of a high commission. They can, and often do, control the flow of information and influence the bidding terms.

Seldom mentioned by researchers of real estate markets is another value incorporated in the rhetoric of buyers: the house as an investment. A decision to buy at a set price has to reconcile disparate goals: purchasing a house that will gain in value while satisfying practical and emotional needs. In New Zealand the actor most likely to assume the responsibility for this last, difficult stage of the process is the male member of the household, if he is the major earner. Under these circumstances, behavioural economists expect the bargained price to fall midpoint between the reservation price of buyer and seller (Blount White 1994). However, since the real estate agents represent the seller rather than the buyer and the commission is related to selling price, the agents' advice may lead buyers to bid too high and disregard the risk of this investment.

By contrast, the housing market in Edinburgh was hard to apprehend (Christie et al. 2008; Smith et al. 2006). By tradition, buyers had to bid without being told about other bids, and since the bid was binding it was impossible to negotiate. Those rules and the tightness of the market pushed buyers to bid higher than they expected in order not to lose the preferred option. Christie argues that emotional attachments shaped 'the contours of the housing markets', encouraging buyers to bid higher than what, in retrospect, they thought was 'rational', and encouraging sellers to overvalue their property (Christie et al. 2008: 2310).

Once the bid is accepted the buyer must negotiate a mortgage offer. This last step may not be as frantic as the bidding, but it is more difficult for the inexperienced buyer. Across regions and cultures, the well-connected, educated, middle-class first buyers have access to a network of experienced friends and relations who can steer them to reliable agents, credit counselors, workshops, websites and other information sources. In some cases these buyers are also likely to profit from intergenerational transfers that allow them to afford higher down-payments. In other cases information and support from church contacts and community workshops can help to protect buyers (Pittman 2008).

During the 1970s, house buyers in the US, the UK and New Zealand approached their banker or lending associations, who evaluated the buyers' existing debt and walked them through options. However, starting in the 1980s borrowers were encouraged to use variable-rate mortgages, often with the rhetoric that a house is an investment rather than just a home. The value of that investment depended on uncertain future changes in prices, income and interest rates, yet buyers responded to new opportunities and market pressures with a willingness to overextend themselves in their competitive bidding, contrary to the predictions by economists that decision makers prefer a low-value sure outcome to a higher-value uncertain outcome (Quattrone and Tversky 2000; Schwartz 1998).

Unlike peasants, with years of farming experience, house buyers lack the information and competency required to predict price trends. Education, computer competency and personal social networks will certainly influence their decision about which experts they trust (Beck et al. 1994). However, often these buyers have to rely on the biased advice of their real estate agents or on conflicting media accounts, and their forecasts might well be a collage of statements from trusted advisors or media sources that suit their social and emotional aspirations. In other words, like many markets, this one is too imperfect and unknowable to guide the decisions of buyers. Most of their estimates about the future are likely to be based on shared social awareness of societal risks. For Mary Douglas (1986, 1992) that awareness emerges from the structural characteristic of social webs and for Boholm (2003) from cultural notions. For Garsten and Hasselström (2003: 254) it is 'based upon the actors' localized social and cultural experiences and premises'.

Searching for a mortgage became more onerous late in the 1990s, when buyers confronted a bewildering new array of subprime loans. These were hard to compare, and agents commonly failed to clarify the loans' terms or inform buyers that their commission was pegged to the rate. Many potential buyers responded by withdrawing the offer to buy. Although there are no data on the number of withdrawn offers, their inclusion in field studies

would reveal important information. Among those who completed the purchase, some could not keep up with mortgage payments and eventually had to default. In the US, 13.5 per cent of house owners defaulted during the first quarter of 2007 alone, many more since then (Pittman 2008). It is unclear to what extent market conditions, institutional arrangements, the self-interest and power of participating agents (real estate brokers, bankers, mortgage agencies), restricted negotiations and controlled information flows have played a role in the default crisis. It is also not clear what roles are played by buyers' misjudgement or unexpected events in their lives.

Conclusion

As the sections on problem solving and bargaining demonstrate, economic actors are just as concerned with their social standing, their identity and autonomy as they are with maximising utility, output or income. These concerns are reflected in their purchases, their search for jobs and their behaviour at the workplace. It is then that they encounter politicised arenas where they are constrained by their power to bargain and their social obligations. These realities, in turn, affect how they redefine their goals and identities (as in the case of the miners in Papua New Guinea and female contract workers in Mexico) or renegotiate market exchanges (as in the case of strawberry producers or coffee labourers). Individual decision makers straddle two supposedly separate spheres of action: the social world and the market world. Neither world can be reduced to an 'externality' or stylised model if we want to evaluate the impact of policies, changes in values and social institutions on economic opportunities. Home buyers not only face a politicised arena, they bargain for a house and a mortgage with great uncertainty about their future income and future value of their investment. They cope either by ignoring the uncertainty or by recognising it as a danger that can be handled, though not insured against, by limiting the debt burden to a socially defined value.

Ethnographies about production and market decisions, using a behavioural approach, will help to elicit the key variables that affect how consumers evaluate options. These ethnographies will contribute to a better understanding of how consumers and producers handle uncertain prospects. They will also help inform policies to protect consumers and producers and, hopefully, allow us to shed stylised descriptions of markets as the meeting place of forces, rather than of social actors.

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5 Provisioning

Susana Narotzky

This chapter is about the different forms that provisioning for goods and services can take. Often provisioning is through the market, but in many cases the market is involved only partially, or not at all. Generally, in any society there are several possible paths for the provision of similar goods or services, as when medical care is available from the state, private practitioners, private corporations or a doctor friend. This situation might mean a wider choice for the consumer, or it might express social differentiation and limited access regarding a basic good such as health care. I want to stress the fact that provisioning is a complex process where production, distribution, appropriation and consumption relations all have to be taken into account and where history defines particular available paths for obtaining goods and services. Provisioning is also a useful way to understand social differentiation, the construction of particular meanings and identities and the reproduction of the social and economic system as a whole.

The provisioning perspective in its present form stems from the perceived need to link the consumption and the production ends of economic life in order to address vital issues such as food security, housing, health care, education and, more generally, public or collective consumption. Development agencies in the 1980s, and particularly anthropologists, economists and sociologists working for the Food and Agriculture Organisation, made the link between food consumption and particular 'food paths' (Carloni 1981), which Boserup (1965) had highlighted in her work on the crucial role of women in subsistence agriculture and the disastrous effects for food security of development policies that targeted males for agricultural development. The food path is the different steps and agents involved in making food available to particular domestic groups and getting it to effectively nourish people in those groups. Things such as access to land and other means of production (including credit), local 'traditional' knowledge regarding the environment and its use, distribution patterns and practices, and cultural views of appropriate food intake along age and gender divides were all discovered to be crucial in determining food security levels.

In the 1990s the provisioning approach was revised by Warde (1992) and Fine and Leopold (1993; also Fine 2002). They contributed useful

tools of analysis through their theories about different 'modes of provision' (Warde 1992) and distinct 'systems of provisioning' (Fine 2002).

Provisioning, two examples

Anthropologists, like many social scientists, have increasingly concentrated on individual consumption decisions, and seen them as expressions of individual agency and identity. In focusing on what takes place at the consumption end of the provisioning process, they have often forgotten the economic and political forces that constrain people's consumption. Let me provide two examples that point out some of the important issues.

Child care

Imagine you need someone to take care of your children for a couple of hours a day, three days a week. How will you provide for it? Several possibilities come to mind immediately: (i) the government might have a day-care system that you can use, (ii) there is an ample supply of private companies and self-employed people that will provide for babysitting at different market prices, (iii) one of your relatives may be able to provide the care and (iv) you may have friends or neighbours with whom you can organise a child-care pool system or a cooperative (Brandon 2000; Stack 1974).

Of these four possibilities only (ii) involves provisioning through the market. But even here, we do not choose freely among the available providers. Our decision will be shaped by our income, our willingness to trust strangers with our children, and our own and the babysitter's social network, which is how we are likely to learn about what child care is available. Equally, we cannot choose freely among other possible sources of child care. We may live too far from our relatives to make arrangements with them. We may have moved recently, and not have friends nearby or know how to gain access to neighbourhood child-care groups. We may live where there is no government child-care service, or live too far from that service to be able to use it.

Even if we were in a position to choose freely, our decision would be influenced by our judgement of the care provided, and that means our judgement of how it is produced. After all, not all child care is alike, and a child-care company's premises may look run-down and dirty, not suitable for our children. But also, our cultural understanding of how it is produced can be important. The facility may be neat and clean, but we may be put off by seeing that the staff are primarily from an ethnic group we do not trust. State child-care provision may be of good quality, but we may worry that it would make people think we are poor, or unwilling to spend money on 'proper' commercial child care.

Food

Let's say we are used to drinking coffee at breakfast, and we generally get it in the market. We can go to a supermarket and choose among the various brands, mostly blends of vaguely defined origin (Brazil, Colombia and so on) traditionally catering to a mass market. Behind each brand there is an entire set of social relations of production and distribution that we can hardly follow. Generally, we cannot know how the particular relations involved in the production and distribution of that coffee affect the quality of the product. Also we are unaware of how our consumption contributes to particular forms of subordination and deprivation among the producers. The provisioning approach will help us discover a history of connections between economic, social and political forms of organising the coffee food path along different geographical locations (Jimenez 1995; Roseberry 1996; Stolcke 1984, 1988).

We may choose to go to a specialist 'independent' roaster where we trust that we get particular coffees produced in particular places that result in particular qualities and tastes. Our trust is based on the belief that the connection between distribution, retailing and production is more direct with such independent roasters, and thus control of the quality of the product at origin is possible. This type of outlet, in turn, caters to a presumably more sophisticated and knowledgeable consumer. We should keep in mind, however, that this form of provisioning is tied to technological innovations such as the use of containers that speed up transport and the use of computers for the control of stocks that dramatically shorten the time between production and final distribution, thereby increasing freshness. Marketing practices that define and target particular groups of consumers using identity and quality discourses are also involved in our decision to choose the independent roaster when getting our coffee (Roseberry 1996; Roseberry et al. 1995).

Increasingly we have yet another option for our coffee provisioning, what is commonly called 'fair-trade'. Through our coffee consumption practices we try to benefit particular forms of production, generally small producers who sell their coffee through fair-trade cooperative systems (Whatmore and Thorne 1997). Fair-trade is based on enhancing the 'connectivity' of production and consumption agents' decisions as well as on marketing that connectivity as 'fair' and 'sustainable'. Although often the connection between both ends of the provisioning chain appears as linear and forthright, this is hardly the case. Decisions affecting production and sale are dependent on institutions such as the Cocoa, Sugar, Coffee Exchange in New York, which affects prices and sets the standard for fair-trade agreements (Whatmore and Thorne 1997: 297).

On the other hand, the pressure for 'high-quality' coffee justifying

higher retail prices creates a pressure on farmers to change their practices. This generally means introducing organic forms of agriculture (more labour intensive) that meet the standards of certification of EU legislation. 'Quality' is becoming a central aspect of the production of value in food provisioning chains. It is related to food anxieties, safety concerns, health and identity issues which have become prominent among affluent consumers (Murdoch et al. 2000). The 'quality' factor, however, is a tricky one that often will push producers away from the fair-trade network and back into more conventional commercial channels and the uncertainties that affect them (Whatmore and Thorne 1997: 299). Quality standards are collective constructs that underlie coordination and negotiation along the commodity chain (Sylvander 1997). They can be set by institutions, as when a public agency imposes standards concerning things such as size, colour and maximum levels of toxic substances, but also can emerge from informal interaction among the pertinent parties, as when 'traditional' methods of production and processing are agreed upon tacitly. Certification and labelling, generally backed by some regulatory authority, help incorporate technical and social aspects of production into the product, which enhances its market value, thus inserting fair-trade in market competition (Murdoch et al. 2000; Renard 2003).

Thus, along the provisioning path of fair-trade coffee actors have different capacities to decide about the values they can produce, exchange and consume, and about the social relationships associated with their different choices. As consumers, our ability to select one or the other way of getting our coffee will depend on our income, outlet convenience, general information of the different options available and ideological positioning. It will depend as well on the production relations at origin, on the systems of distribution and commercialisation, the coffee market and technological innovation. These various factors will affect not just the quality, price and circulation of the object, but also its meaning for us and our willingness and ability to buy it.

The provisioning approach

Goods and services such as food, clothes, water, shelter, sanitation, electricity, care and the like appear different and are materially different according to the social relations that have been involved in their production, distribution, circulation and consumption. The provisioning approach follows the path of provisioning in order to understand how the content and the meaning of goods and services are produced and how, in turn, they produce social differentiation. It also pays attention to things such as income availability and its form (for example, cash, credit), which are significant differentiating factors throughout the various stages of the

chain of provisioning. Sharing and pooling systems among individuals embedded in long-term reciprocal relationships such as those obtaining in the domestic group, peer groups, informal credit circles, neighbourhoods, interest or ideological groups and the like are also important and need to be taken into account.

An aspect of this perspective is that it takes into account the simultaneous provisioning of particular goods through different paths – market, state, community, domestic group – and the articulation of market and non-market regimes along each path. Indeed, most goods shift through different phases along their path and most goods and services can be obtained through market and non-market ways. The interaction between these factors will affect both the symbolic and the economic value of the goods and services available in a society. More and more, this means paying attention to globalised processes of production and circulation, not only of material objects but also of people and values.

The example of Salaula, a second-hand clothing circuit for consumption in Zambia described by Karen Tranberg Hansen (2000), shows how clothes follow a complex path that takes them in and out of market relations. This global chain of provisioning articulates individuals donating clothes to charities, with a prosperous business linking European and US recycling firms, with local wholesalers in Lusaka and, finally, with small retailers and hawkers. Colonial and national government policies help shape the frameworks of this circulation, both economic (for example, tariffs or quotas) and cultural (for example, norms of proper dressing). All along the path, social relations get incorporated and help define the commodity being produced and its value, but this is also a historical process of the production of value and desire, as well as an expression of power.

The state is often a determining factor regarding the orientation of social actors towards more or less market-led processes of provisioning. This is salient in the provisioning of public services such as caring facilities, for example. Systems of provisioning are historically grounded and power, the capacity that people or institutions have to make decisions that affect others' livelihoods, is a crucial element in the shifts and articulations along the chains of provisioning.

This approach also emphasises the political character of the production of meaning along these paths. It stresses the unequal power to create and institute particular meanings as cultural values that have wide impact. Moreover, the differential attribution of meaning and value to goods and services appears as a salient motive for discriminating among people, based on their consumption habits. This highlights the complexity and ambivalence of the meanings incorporated in goods and available to social actors as raw materials for their identity construction through

Table 5.1 Modes of provision, social relations and axes of meaning

Mode	Motivation	Relationship	Identity
Market	Interest	Exchange	Client, buyer
State	Justice	Civil right	Citizen
Community	Solidarity	Balanced reciprocity	Neighbour, peer
Domestic group	Love	Generalised reciprocity	Family, kin

Source: Adapted from Edgell and Hetherington 1996; Warde 1992.

consumption practices. It also stresses the relationship between the production of meaning and systems of exploitation and domination.

Table 5.1 is an attempt to abstract the elements that, in Western societies, interact in a particular mode of provision. Following a Weberian tradition, we might interpret these modes as ranging from the 'natural' (domestic group) to the 'social' (market) forms of relation or from emotion to reason as motivators for action. However, we should be aware that this intellectual tradition has developed historically in the context of particular political and economic transformations that had particular results in the psychology of motivation, the social production of mutual responsibility, the interpretation of experience and the construction of identity.

When thinking of actual practices of provisioning it is often useful to think of social actors as enmeshed in networks of provisioning. Carol Stack, in her classic *All our kin* (1974), gives a telling example in her description of strategies of survival in a Black neighbourhood in the US. She speaks of 'domestic networks' instead of 'domestic groups', in order to show the fluidity of the social relations that surround the provisioning and final consumption of subsistence needs such as food, shelter, clothing and care. Networks of provisioning extend globally and the concept of 'caring at a distance' helps illuminate them. One example is the global care chain that links migrant women working as care-givers in the global North with their dependants in households in the South who receive remittances that contribute to their welfare (Yeates 2005). Another is the British movement emerging in the 1920s that urged people to 'Buy Empire Goods'. This stressed the connection between British people's consumption and the livelihood of White farmers in distant parts of the Empire. Here, the imperial ideology of commonality with distant others made 'visible social and cultural values (such as hygiene) . . . setting standards that seek to bridge the distance between consumers and producers' (Trentmann 2007: 1086).

Indeed, each path of provisioning is forged through a complex network of social relationships that branch at the points where certain options become impossible or improbable for certain social actors and where, generally, tensions and power are concentrated and differentiation takes place.

From what I have said thus far, it should be clear that the provisioning approach can be summarised in terms of the following points.

First, different paths for obtaining goods and services are possible, using diverse modes of provisioning (market, state, community, domestic group). People will have different opportunities regarding their access to the various paths, opportunities that may shift at certain stages along the chain and at different points in the life cycle of the individual or the domestic group involved.

Second, different people or groups will be positioned differently as to their general ability to use market paths, as distinct from non-market paths (state, community, kinship).

Third, concerning non-market provisioning, people have different abilities to use institutionalised formal provisioning (unemployment aid, pensions, welfare, non-governmental organisation (NGO) help) and informal provisioning (kin networks, ethnic ties, religious affinities, political ideology, shared location of origin and so on). Illegal immigrants in Europe, for example, do not have the same access as regular citizens to state welfare provision but often have better access to community-organised services through NGOs or religious charities. Even with extreme informal provisioning (for example, urban foraging practices such as garbage collecting, begging, petty theft and so on) not everyone has the same opportunity of access.

Following the provisioning paths

There is an increasing interest on consumption in anthropology. We seem to think that consumption patterns can tell us more about contemporary social relations (social differentiation, identity construction, agency, power) than production patterns. Often the argument is that empowerment can only come from consumption practices, as a precarious and segmented labour market and flexible and informal production processes have rendered empowerment in the workplace obsolete (Miller 1987, 1995). Consumption seems to address both material needs and the production of meaning. Much of this emphasis is linked to the stress on 'agency' and on individual autonomy or self-construction in Western societies, where social scientists have perceived a de-institutionalisation of social action. From this perspective, traditional corporate identity frameworks (for example, the family or class-based interaction through long-term employment patterns and union organisations) have given way to a 'freer',

‘disentangled’, ‘flexible’ individual who constructs her or his own identity through consumption choices about and with ‘meaning’.

As Carrier and Heyman (1997: 361) have put it:

Such an approach ignores the fact that the people who confront, use and respond to objects and their meanings do so in terms of the material, social and cultural constraints of their own personal situations. The ways in which people respond to and use meanings have material, social and cultural consequences for themselves and for those meanings.

However, we need to go further than this. We cannot understand patterns of consumption, social relations in consumption or the construction of social meaning and forms of distinction and differentiation through consumption, if we do not address the complexity of the systems of provisioning as a whole.

It is important to consider the social relations that exist from production through distribution, appropriation and final consumption, for these are important in themselves and because they affect options at the next stage in the chain. We can see this importance in subsistence self-provisioning of food through forest products. In most regions that consume forest products, alternative paths of food provisioning exist, whether local peasant markets or agribusiness-led expanding markets for foreign goods. However, forest self-provisioning is still important for many people and enhances their food security. Nevertheless, forest food consumption seems to be declining. Although changing tastes may have an influence, the most important factors seem to be linked to economic and political transformations. Some of these illustrate the complexities of provisioning networks: international food aid intervention, expanding distribution channels of agribusiness firms, privatisation of formerly common land, forest degradation through overexploitation for non-food purposes or commercial farming, loss of traditional resource and management knowledge (Falconer 1990–91). The social relations in these various factors will create particular topographies of food provisioning, as people deal with the options at hand from within their (and their household’s) position in the economic and political structure (see Ortiz chap. 4, *supra*).

The task of analysing paths of provisioning benefits from two important perspectives coming from the work of anthropologists. Both can be helpful in different ways to the understanding of provisioning processes.

Political economy perspectives

The political economy perspective developed through the 1970s and 1980s (Roseberry 1988) in anthropology, elaborating dependency and world-system theories (see Eades chap. 2 *supra*). One important work here is

Eric Wolf's *Europe and the people without history* (1982), which provides a detailed analysis of the connections and developments between world regions that affected the livelihoods of local people who are involved in producing, distributing and consuming particular goods. His example of the fur trade (1982: 158–94) is a masterful account of the intricacies of the multiple and interacting paths of provisioning forming the system of provisioning of fur. He shows how social relations in the production and distribution stages of fur provisioning (in Russia, North America and Western Europe) created goods that circulated along unevenly commodified paths. At the same time, Wolf shows how the changing position of native American groups in fur provisioning affected their own patterns of consumption and provisioning for food, tools and weapons.

Another important work in this perspective is Sidney Mintz's *Sweetness and power* (1985). He shows how a particular production system, the plantation system, transformed the availability of sugar and changed its meaning from a rare luxury into a common necessity. He also shows how the expansion of this particular consumption good was related to industrialisation in England, for sugar was a cheap nutrient that could be produced in the colonies at very low cost, and so helped reduce the cost of reproducing the English labour force. At many points in the provisioning chain, access to sugar and the desire to get it were forged differently for different groups of people.¹ And he argues that the desire for sugar, like its supply, was effectively beyond the control of many of its consumers:

The uses to which it was put and its place in the diet changed and proliferated; it grew more important in people's consciousness, in family budgets, and in the economic, social, and political life of the nation . . . These changes have to do with 'outside' meaning – the place of sucrose in the history of colonies, commerce, political intrigue, the making of policy and law – but they have to do with 'inside' meaning as well, because the meaning people gave to sugar arose under conditions prescribed or determined not so much by the consumers as by those who made the product available. (1985: 167)

And what he has to say about that 'outside' meaning illustrates the complex ways that power and interest can shape a provisioning chain:

The political and economic influence of the governing strata set the terms by which increasing quantities of sugar and like commodities became available throughout English society. This influence took the form of specific legislative initiatives affecting duties and tariffs, or the purchase of supplies of sugar, molasses and rum for dispensing through government agencies, like the navy and the almshouses; or regulations affecting matters of purity, standards of quality, etc. But it also involved the informal exercise of power: a combination of official prerogatives with the use of pressures made possible through cliques, family connections, university and public-school contacts, covert coercion,

friendship, club membership, the strategic application of wealth, job promises, cajolery and much else. (1985: 171)

His analysis points to the dangers in stressing consumption and consumer choice as a key point of entry in our efforts to understand societies. 'The proclaimed freedom to choose meant freedom only within a range of possibilities laid down by forces over which those who were, supposedly, freely choosing exercised no control at all' (Mintz 1985: 183).

Transactional and cultural perspectives

The second perspective is framed in transactional and cultural terms. In his introduction to *The social life of things*, Arjun Appadurai points out that while some objects 'make only *one* journey from production to consumption' (Appadurai 1986: 23, original emphasis), others can follow paths that take them in and out of commodity status, being consumed many times over in different forms in different cultural contexts by different people (see also Kopytoff 1986: 73–7; more generally, see Godelier 1996). For Appadurai (1986: 34–6), the value of such an object thus depends both on its individual 'cultural biography', its movement and 'life history', and on its 'social history', which can be traced for classes of objects in a society and which creates the large-scale dynamics that constrain the 'intimate trajectories' of things.

An important part of Appadurai's perspective is its concern with people's understandings of the commodity as it moves along its path, and how these contribute to the value of the commodity in particular exchanges. He notes that such understandings are common in all societies, but that they 'acquire especially intense, new, and striking qualities when the spatial, cognitive or institutional distances between production, distribution, and consumption are great . . . The institutionalised divorce (in knowledge, interest, and role) between persons involved in various aspects of the flow of commodities generated specialised mythologies' (Appadurai 1986: 48). And he divides these mythologies into three sorts:

- (1) Mythologies produced by traders and speculators who are largely indifferent to both the production origins and the consumption destination of commodities . . .
- (2) Mythologies produced by consumers (or potential consumers) alienated from the production and distribution process of key commodities . . .
- and (3) mythologies produced by workers in the production process who are completely divorced from the distribution and consumption logics of the commodities they produce. (1986: 48)

The intersection of these mythologies as the object moves along the provisioning path shapes the value of the object all along the way. The

example of the construction of authenticity of oriental carpets described by Spooner (1986) in the same volume is particularly telling in this regard.

Connecting paths of provision with processes of power

Systems of domination are linked to the processes of provisioning both locally and in their wider articulation and interaction with other systems of domination.² Consequently, understanding provisioning requires addressing how the various stages of the process are institutionalised through the state, law, custom, religious practice and other pertinent structures of domination. The degree of institutionalisation in turn will affect the effective availability of objects for, and decision-making possibilities of, particular social groups.

Geographers have produced provocative work in this regard concerning collective consumption issues regarding public goods and the institutionalisation of their provision in welfare systems of different sorts (Harvey 1973; Pinch 1989). They have shown how the spatial location of public goods (for example, water pipes, sewerage infrastructure, electricity cabling, road and railroad systems, hospitals, schools, parks) is crucial for generating differences in consumption. The political aspect of this differentiation is apparent in the direct provision of public goods and services. The political aspect is no less important when certain uses of public resources are banned. Thus, Mitchell (1997) has analysed the effect of laws that prohibit the use of public space (sidewalks, subways, hydrants, public fountains) for private activities such as sleeping, washing or eating. These laws penalise those who have been made homeless because of the restructuring processes of capital (unemployment) and the shrinking and changing nature of welfare, and hence who lack 'private' (home) or 'public' (welfare provision) spaces they can use. They favour an aestheticised urban landscape that enhances 'gentrification', capital investment and speculation.

The increased awareness of environmental issues together with the political saliency of public-goods provision has further stressed the need to view the *entire* provisioning process, including the 'after consumption' stage of waste disposal and recycling (Alexander and Smaje 2008; Alexander chap. 26, *infra*). The disposal of toxic, domestic and industrial waste, and the involuntary consumption of the negative consequences of industrial production and compulsive overconsumption, have all been addressed in different ways by state agencies, political activists, academic analysts and grassroots movements. Some have stressed the need to increase local participation in decisions about the location of waste landfills or toxic dumps, pointing to discriminatory policies that result in the inequitable distribution of pollution, of the negative externalities of the production and consumption process. Others stress the need to strengthen

Table 5.2 The dialectics of provisioning

THINGS: Provisioning system	POWER: Domination system	MEANING: Cultural system
Technology	Institutions	Mutual responsibility
Production relations	Differentiation	Presentation of self
Distribution (allocation)	Coercion	Forms of belonging
Circulation (movement)	Consent	Identity construction

channels for public participation in decisions about the production process itself; that is, the origin of negative externalities in production: 'Pollution prevention ultimately requires production control' (Heinman 1996: 113). This perspective allows the extension of the provisioning approach, with its concern with power, into new areas. As Lake (1996: 169) has asserted: 'Both the inequitable distribution of environmental burdens and the inequitable production of those burdens arise from the unequal power relations controlling the organization of production in capitalist societies'.

The connection between systems of power and systems of provisioning are a crucial aspect of the mode of governance of any particular society. One aspect of this is people's agency, which is shaped by systems of provisioning, systems of power and systems of meaning that affect people in different ways. This shaping of agency is what Bourdieu (1979) termed 'habitus' and was a key element in the processes of social reproduction of the material and power structures in any society.

In sum, we get three dialectically intertwined axes from the provisioning perspective: power, meaning and material provisioning (Table 5.2).

Distribution and circulation in the paths of provisioning

Distribution describes the process by which things produced get to the hands of consumers, and it is a central aspect of the provisioning perspective. Except in the case of completely autonomous self-provisioning, distribution requires movement and allocation. Commonly this movement and allocation is through market systems, and in theory these systems are governed by supply and demand free from political or social constraints. In practice, however, often this freedom is absent. If we consider the different modes of provision possible at every stage of a particular path, we can see that allocation is, in important ways, both politically conditioned and socially embedded in multiple and complex social relations (for example, Carrier 1995; Miller 1997).

The economics of the movement of goods and services through particu-

lar distribution channels and retailing outlets is in itself a major way in which the process of differentiation in provisioning takes place. Movement in distribution seeks to bridge the space and time between the when and where of production and of final consumption. This bridging can take place in different ways. In the market fairs of Medieval Europe, producers and consumers moved to a privileged space of encounter, and this is still the case for commercial fairs and some local produce markets similar to Bohannon and Dalton's (1968) 'peripheral markets'. With local artisanal products (for example, food, pottery, cloth) and with exotic tourist goods, the consumer may move towards the producer. However, often, a complex chain of intermediaries completes the movements required in a path of provisioning.

Issues such as the available technologies of storage and preservation, transport and the like are significant influences on distribution and circulation, and will affect what is available to consumers at the retailing end. The state can be significant here, not only through things such as health and safety regulation, but also because the state sets the criteria by which alternative, public distribution processes are available to particular groups of people as entitlements. Other distribution processes at the margins of markets exist in communal, kin-oriented or charitable networks of provisioning. These often use hybrid forms of allocation and circulation along complex paths that may include aspects of gift and commodity relations, and motivations that are altruistic and profit oriented, always conditioned by the material nature of the product (for example, perishable or not) and the technological capacities at hand (Alexander and Smaje 2008; Tranberg Hansen 2000). Cultural patterns of mutual responsibility influence the flows of goods and services in such networks and the expectations of social actors within them. Diverse structures of moral obligation articulated to various types of wealth are important for the micro-logistics of distribution in consumer networks: for example, having a car can determine the possibility to access out-of-town shopping malls for oneself and others in the network.

Thus, while the market may be the most visible, in every society alternative forms of distribution for goods and services exist. A number of factors influence just which of these forms of distribution people will use in their own provisioning. One of these factors is the degree of regulation of the chain of provisioning: the forms of control and regulation of the various distribution channels (market and non-market, formal and informal) and of the various sites of transaction with consumers. In many societies, institutional control by the state and by producers' associations and consumers' associations, together with media that exposes breaches in the system of regulation, help create trust in the formal market and state-led

systems of provisioning. However, breaches and failures of these regulatory frameworks, as in the outbreak of BSE ('mad cow' disease), produce anxiety about standard modes of regulation and often pave the way for 'alternative' provisioning chains (Stassart and Whatmore 2003). In the more informal, less commercial, local 'traditional' paths, however, control is produced through networks of trust, based on first-hand knowledge of the nature and origin of the good or service and of the persons distributing it at each stage (Murdoch et al. 2000).

In his analysis of the transformations of circulation relations in Western countries, Carrier (1995: 61–105) shows that there was a growing impersonality in the social relations of retail trade, which 'affected people's experience with objects' (1995: 104). Thus, during the nineteenth and early twentieth centuries a double alienation of people from objects occurred. People became alienated as producers, who did not own the means of production, and as consumers, who were increasingly separated from the personal, trust relationship that existed between customer and shopkeeper.³ And it is worth noting that changes in final distribution in retail trade often were induced by economic strategies at the stage of production (for example, manufacturers pre-selling to the customer through creating and advertising branded goods).

Provisioning crises, such as cases of large-scale food poisoning or impurity, are leading consumers to lose confidence in the formal means of controlling the paths of provisioning, as is a growing awareness of the conflicting interests of those holding institutional power in regulatory agencies and the like. The BSE panic, for example, was not a scandal only because of the accumulated errors in the formal control of the system of provisioning. It was a scandal also because government officials, apparently wanting to protect important commercial and political interests, withheld crucial information for a long time, putting people's health at risk and impeding informed decision making. Global activism targeting genetically modified organisms that are introduced in the food chain by agro-industries points to a similar complexity of industrial and political, technical and ethical issues entangled in the present reconfiguration of global food chains (Müller 2006). One reaction by commercial organisations to this loss of trust has been to present their wares in ways that satisfy consumers of the soundness of the entire path of provisioning, stressing traceability. This is done mainly for food or artisanal objects, illustrated by the spread of fair-trade products, but increasingly is done for more virtual goods, such as investment vehicles, as with the advertising of 'ethical' funds.

Another reaction, one that is only superficially similar, is expressed in appeals to 'food sovereignty' and demands to 'take agriculture out of the WTO [World Trade Organisation]' by social movements such as

Vía Campesina, in what Edelman (2005) has called a new form of 'moral economy'. This is an activist critique of the understanding of food as a commodity and of global free-trade agreements as the best route to food security. The stress is on a fair distribution of food, just prices for agricultural products, short distribution chains, agrarian reform and social and environmental sustainability (Borras 2004, 2008). Although these are often heterogeneous social movements, they are increasingly linking production and distribution and consumption through cooperative networks.

A second factor influencing people's use of any given form of distribution is their ability to know about and take advantage of it. A range of issues are important here, and I shall mention some of them briefly. The most obvious issue is people's income. The amount of their income influences what they can buy in the commercial sector and their access to welfare systems. As well, though, the way that they earn their income can affect their ability to participate in informal social provisioning networks. Another issue here is people's knowledge of alternative provisioning paths and products, special sales and retail outlets and the like. This knowledge in turn is shaped by their level of literacy; not just literacy in the conventional sense, but also electronic literacy, the ability to use internet resources to gain pertinent knowledge. A third issue is people's health and physical condition. This affects their mobility, and hence the provisioning channels they can use, as well as their ability to gather useful information, which can be hindered by an impairment of their sight or hearing. Particular groups of people are strongly affected by this: elderly people, pregnant women, the chronically ill and the disabled. The final issue I shall mention is people's domestic equipment, the resources that allow them to acquire, store and process goods and services to provision their household. Having access to electricity, water and telephone services is important, as is the ownership of a refrigerator, freezer, automobile, storage space and the like, as well as the time necessary to acquire, store and process those goods and services.

Conclusion

As I have presented it here, a concern with provisioning has some important attributes. First and foremost, it integrates many of the different aspects of people's lives. Often our experience is fragmented and partial, based on the separate parts of the entire provisioning process as we experience them in our work, when we shop and when we consume. A concern with provisioning encourages us to see the connections between these individual parts, to see how they form the complex paths of social relations that are necessary to make goods and services available. By joining this integrated view with the ways that power and meaning affect the provisioning process, we are better equipped to understand what leads different

people to acquire different goods and services through different channels, and how meaning is produced along the different paths available.

Second, the provisioning approach highlights the importance of the institutions that regulate flows of goods and services and produce standards for defining quality and value: the state (both as regulator and as welfare provider), the market, civic associations, the neighbourhood, the family. The play between the different institutions involved in provisioning and the informal provisioning paths that emerge (especially in crisis situations) is important for understanding how people provide for themselves and others, and for understanding the social meaning of different provisioning paths.

Finally, this approach encourages us to understand the significance of historical forces in shaping our economic lives. The complex connections and processes of differentiation in provisioning that are simultaneously material, political and cultural are a product of the intersections of regional and global histories, and of the capabilities for action that are opened or closed to different social agents. While this is often recognised for the production, distribution and consumption aspects of provision when analysed as distinct realms of economic activities, it is rarely taken into account when envisaging the entire provisioning process.

In describing the provisioning approach in this chapter, I have stressed the material paths of the production of meaning in the goods and services that different people consume. The market-exchange model has made us think of consumables mainly as commodities, detached from the social relations that surround their production; that is, as separated from the power and meaning involved in the process of making them available. However, if we focus on the entire process of making goods and services available, we can see how the different social relations existing at the different stages of the process, in different locations and historical moments, are crucial to the understanding of who gets what, and what the things, the getting and the people all mean.

Notes

1. See also Schneider (1978) for an early anthropological linking of the consumption of particular types of cloth in Europe to the historical development of economic and political processes both at the regional and global levels.
2. Addressing this topic entails addressing the ways that systems of credit and finance, and systems for generating and distributing information are shaped by systems of domination and so restrict the access to goods of some sorts of people rather than others.
3. If 'commodity fetishism' is an appropriate metaphor that Marx used to highlight alienation in production, it is also a useful metaphor to stress alienation in distribution processes, where the decreasing involvement of human actors in trade, mainly retailing, increases the appearance that objects can be abstracted from the social relations that make them available, and even 'have a life of their own'.

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6 Community and economy: economy's base

Stephen Gudeman

An economy's base is the social and material space that a community or association of people make in the world. Comprising shared material interests, it connects members of a group to one another, and is part of all economies. The base of a community changes over time and assumes many forms that vary by history and context. But it is not represented in economic theories, and our ordinary language often does not bring it to everyday awareness. The term 'base', however, is used in parts of Latin America, and studies from other parts of the world provide many examples of its presence. By twisting the lens on economic processes, we may help reveal the significance of the base, which underlies all economies and is connected to capital in market-dominated economies. But understanding the importance of the base, and the interwoven relation of community and markets, requires a broadened understanding of the sphere of economy.

Ethnographers have demonstrated for more than a century that in other historical and ethnographic societies, as well as industrial ones, economy includes more than markets or the market-like exchange of goods and services. From an anthropological perspective, economy covers the acquisition, production, transfer and use of things and services. For example, material things are produced and processed outside formal markets, and many transfers take place through practices such as social allotment and apportionment, inheritance, dowry, bridewealth, bloodwealth, indenture and reciprocity, each mode having a variety of expressions. Modern (especially neoclassical) economics focuses primarily on market transfers or competitive bidding to the exclusion of these processes, unless the logic of market trade is used to interpret non-market exchanges that have different moral and social parameters. For example, a neoclassical economist may model the formation of property rights and the initial acquisition of property as a way of avoiding negative externalities and providing a greater incentive to work and invest (Alchian and Demsetz 1973; Demsetz 1967); even social relationships, such as interactions within the family or firm, may be reduced to and modelled as the outcome of rational selections within constraints. Most economists, whether neoclassical,

neoinstitutional or neoevolutionary, assume that the human is a rational and solitary agent. Acting under constraints, he/she selects goals and chooses means that maximise self-interest or welfare. This perspective on the human in society cuts against many anthropological assumptions and raises questions about use of the economists' toolkit as a universal way of analysing economy.

In contrast to economists, anthropologists often assume that humans are connected or social beings who build and destroy relationships, and who communicate by language and material things. To be human means being a person socially constructed in mentality, communication and relationships with others. To act as a separated individual without social connections, as in impersonal market trade, is a practice taken only in relation to sociality and culture, on which it depends. But building an economics on this anthropological presumption requires a new set of conceptual tools. The implications of this argument for notions about alienation, property, development, modernisation and well-being, as well as how we conduct ourselves and justify other forms of economy, are large.

Two realms of economy

Economy contains two realms: that of community and that of market or impersonal trade (Gudeman 2001). Both are found in all economies, each has many variations, and the balance of the two varies over time and by person and situation. These two faces of economy are complexly intertwined, and the border between them is often indistinct.

By community I mean small groups, such as households, bands or tribal organisations, but also imagined groupings that may never meet yet hold some interests in common. Communities may be embedded one within another, overlap, and differ in importance, duration, interests and internal structure. Their borders may be firm or porous.

Communities are held together by shared interests that constitute their base; and networks of relationships, connecting people through the base, make up communities. These networks can be thick or thin sets of ties that vary in strength and importance: some ties are perceived as eternal, others are shorter-term alliances formed to face a common problem, promote an issue or confront a mutual enemy.¹ An eating club or alumni group that meets once a year, a monthly play-reading group or participants in a ritual performance that takes place once every 10 years compose a more attenuated set of connections. Productive arrangements formed around rights to a water hole, to a reservoir, to an irrigation system or to a fishing pond – that compose the base – are more intensively utilised and often involve a thick, frequently used complex of local, kinship and work ties. Through such community connections, things are appropriated, created

and possessed, which maintains the relationships. But communities are more and less linked to economic processes, and not all their performances are economic.

Markets, in contrast, revolve about impersonal trade although these exchanges may be mixed with communal ties, as in the case of trade partners or open-ended contracts. In market trade, the relations between people, and between them and things, are contractual. Individual trades may be cool and impersonal, or surrounded by joking. Although trade may be modelled as an independent transaction, in practice it is surrounded by communities that enable it. Market spaces are contained within communal agreements, such as a peace pact, a threatening fetish or a legal organisation through which expectations about the conduct of others can be assured. Markets of all kinds, whether in a town square or the New York Stock Exchange, have shared rules. When trades take place within a local market, the rules may be tacit or customary, with an agreement sealed by a handshake. When markets are large with anonymous participants, the rules usually are more explicit and the agreements specified or written; shunning and personal sanctions work in a small market but not a large one.

Markets depend on communities or states for the formation and enforcement of rules of trade and informal agreements, or customs of trading and conducting business, such as 'transparent' accounting which, when occluded, may need to be legally enforced by the larger community. Sometimes the informal agreements that make a market work are so implicit as to escape attention. When the Enron Corporation and the Arthur Andersen accounting firm took part of the corporation's debt off its balance sheet and out of footnotes, in order to increase the company's profit and credit rating, and when these techniques were shown to be used by others, investors were shocked.² Enron investors lost money, but the larger market tremors had to do with the broken trust and lack of confidence in corporate adherence to the agreements that ensured transparency of operations. The corporate participants in these practices composed an 'insider' community in which the accounting practices had become common. The revelation that this non-transparent community of large corporations and accounting firms was secreted within the market was demoralising. One result was to make accounting practices more enforceable. Regulation was shifted, to a degree, from market participants to an external oversight board.

On the ground, the two economic realms of market and community differ in size, capacity to expand and rate of technological change, and they are institutionally manifested and intertwined. A house economy in Latin America or a compound group in Africa may attempt to maintain

itself as a separate unit within a larger association, but it trades some goods with others; conversely, in market economies, many wage earners who purchase food and goods for their households also help sustain themselves by cooking and gardening, by caring for the young, old and infirm, by repairing their houses and by building their furniture and making their clothes. These activities have economic value as they manifest a persona and make a space in the world.

The dialectic of the community and market realms exists in all economies, even if not fully present in conscious thought or perhaps even denied in formal discourse. At times, the two realms are like one of those puzzle pictures in which a line drawing can be seen either as a duck or a rabbit but not both, or a picture can be seen as a vase or two opposite faces but not at the same time. We focus on one or the other but not the whole. Acts and things are seen now as part of the community, now as separated in the market, depending on the framing; and they can be frozen or move unstably between the two, depending on the prevailing rhetoric, institutions and balance of power. For example, private property in the market can slip into being seen as part of a community's long-held resources, as when expensive jewellery is kept as a family heirloom: only with regret do we part with these items that connect us to others and provide a sense of identity.

The community realm offers security and a rampart against uncertainty, but it can be home to inequalities, the exercise of unconstrained power and exploitation. The market has proven to be a powerful solvent of community, because it breaks immutable bonds among people that are forged through material goods and services, and it permits and enforces a critique of unequal, if not inefficient, connections. Markets offer a space for making new connections to material things, services and others; for enjoying freedom, exploration and serendipity; for enhancing the standard of living, health and longevity; for degrading the environment; for creating inequalities of wealth, poverty, malnutrition, the marginalising of humans, as well as solitude. Neither economic realm is inherently better than the other, apart from a social valuation; neither seems to nourish the full range of human capacities or to provide a space for their achievement. Each constitutes a partial critique of the other.

If today, in industrial societies, we favour one form over the other, we remain caught within our reasons. If we choose to strengthen or enact a community form – from breakaway communities within markets to national socialism to international communism – we choose material life through connections; but if we choose connections they become contracts. If we select rational choice as a way of life, the selection itself is a commitment that is a-rational. The certainty of having a base with others, as part

of our being in the world, always tugs at us, as does the desire to transcend it.

The base

The community realm of economy features important economic processes, beginning with the construction, maintenance and alteration of its base. Consisting of entities that people appropriate, make, allocate and use in relation to one another, the base is locally and historically formed. In the Latin American countryside, a farmer considers as base his house, land and crops; a university's base includes its library, laboratories, offices, communication systems and concepts linking researchers; in Cuba the education, health and retirement systems, jobs and some food provisions provided by the government as well as personal connections comprise the base. In Dalarna, Sweden, the financially successful artists Karl Larsson and Anders Zorn built their homes as working, living, personal display spaces – a rhetoric in the formation of their subjective identities; today, these houses stand as their exemplars of local community and cultural well-being.³ But people share multiple bases, and in a global world participate in overlapping, proliferating, negotiated and changing bases.

The base everywhere consists of skills, knowledge and practices that are part of a changing heritage that is always necessary for market trade, from language to hand signs and from cognitive skills to values. The base includes parts of the material world as well as accumulations gained through productive use of resources, and a community may specify materials or activities that cannot be used or supported by it. Often, the base has central symbols, 'sacra', that signify its power and continuance. Above all, persons in a community are connected to one another through and in relation to the base that lends them an identity. I shall focus on the material, cognitive and behavioural expressions of the base, leaving aside the ways it is distributed or allocated, as well as the cultural stories that people construct which give historical justification to their appropriation of and relation to it.

Knowledge and skills

The base is a people's heritage of knowledge and skills, often developed in relation to the material space they occupy. For example, skilled navigators in Polynesia as well as Europe may use the night sky or ocean currents to orient themselves and guide their vessels; the weather or snow may be read to find animals by Arctic peoples as well as by sportsmen. This accumulated knowledge, transmitted through apprenticeship and explicit instruction, seemingly cannot be depleted, as in the economists' example of a shared lighthouse: one person's use does not detract from another's.

Government-sponsored research, made freely available, increases the base of a nation or the world as does the internet, a library or a free university. The work of scholars, researchers, shamans and medicine men adds to the common heritage that expands as one contribution builds on another. By contrast, guilds and some trade unions, in which apprentices gain knowledge in hierarchical circumstances, build and pass on a base, but the skills are limited to the group as private property.

In the dynamic between community and market, base practices and knowledge may be privatised and turned to capital advantage. For example, folk medical knowledge, accreted over time and spread among a population, may be 'mined' by pharmaceutical companies for hints to new remedies, and folk medicines may be analysed to extract agents for new drugs. This base is not lost, but it is used for profit often without recompense. When a university professor offers a free evening lecture, he/she adds to the base of knowledge and scholarship; when he/she gives the same lecture to a corporation (often without pay), the knowledge may be turned to private profit. Likewise, government-sponsored medical research at a university may be freely disseminated, then turned to private profit. The Linux operating system, whose source code is freely available, is a shared base that expands with applications. Microsoft's privatisation of a competing system forecloses this sharing and the potential for contributions from outside the corporation. The presence of a base may be so accepted that its contribution passes unrecognised: traditional tunes, for example, are often used in commercials. To suggest that its cars are sprightly and energetic, one automobile manufacturer shows its products on television cavorting and acting like children, which is one common image of youngsters in certain cultures. Market activity inevitably draws on an open heritage.

Unlimited base

A part of the material world may be used as if it were an unlimited base. Economists term this type of base an 'open access' commons, but their interpretation of it may situate it as an appendage of the market, may exclude the cultural and social skills necessary for using it, and may sever its connection to the person. This form of base may include a seemingly plentiful resource, such as air, the sky, an ocean, a sea or a forest. A community shares this space (sometimes with others) by its knowledge and use of it. A jungle may be used to hunt game, a forest may be used to lay trap lines that cross each other, plants may be freely collected from a savannah. Swidden farmers, as well as fishermen, may use their resource as if it were unlimited. In rural Panama, during the first half of the twentieth century, people in the central savannah journeyed to salt flats on the Pacific Ocean

to extract their needed salt; the resource was plentiful, competition for access was unknown. Today, windmills used to power electric generators exemplify this form of base, provided that one user does not impinge on the wind of another. Using the ocean and the atmosphere as free spaces for dumping pollutants implies that they are an unlimited base, although today these actions are increasingly contested by some nations and trans-national communities.

When population increases and the market realm expands, an unlimited base usually does not endure. In Sweden, by the law of 'everyman's right' (*allemansrätt*) one may cross or enter the property of another to enjoy nature, gather wild berries and mushrooms, or even camp overnight while taking care not to bother the owners or harm the domesticated plants.⁴ Today, *allemansrätt* is being severely strained in popular tourist areas of Sweden (and Norway, which has a similar right). Many tourists, who are unfamiliar with the legal and tactical rules of use, damage and overcrowd property, pass diseases such as tapeworm to livestock and pollute watersheds.

Limited base

The base may be a bounded resource (which economists identify as a restricted access commons; Ostrom 1990). The possession is circumscribed and held by a community in relation to others. Clan land or a village commons are examples, as is the plot used by a household group to raise crops for consumption. This form of base may also consist of trap lines and hunting trails, or exclusive rights to salt flats as among the Baruya of New Guinea (Godelier 1977).

A limited base is allocated and apportioned by community rules, as in the case of rotating water rights in parts of the Andes. In Latin America also, land may be held by a religious association or co-fraternity that allocates parcels on the basis of group membership and service. In modern economies an extraordinarily large number of bases, and bases mixed with capital, are complexly allocated, such as public lands used for mineral extraction, museums, hunting areas, freshwater streams, forest preserves, game, fish and commons gardens (see, for example, Bollier 2002). Use is restricted to members of a community who often queue to pay a (usually small) fee for access, such as visiting a national park or fishing a river. A city or university library, to which one gains access as a tax payer or student, is such a base as well.

A public, limited base may be leased for market use, often at a low rate. A government may assign or auction wave bands to private radio stations, and it may rent national range lands for pasturage, forests for exploitation, or mineral deposits for extraction, all for a small fee that subsidises profit

making. The sky is freely used by airplanes with advertising banners, but a Russian space rocket rented signage (Bollier 2002: 159). In Sweden, many municipalities own garden land that is rented for a nominal fee to nearby residents. The allotment rule is first-come first-served, with the distribution overseen by a local committee consisting of community members who share an interest in working the soil and the values of solitude, silence and closeness to nature. In some areas, these plots now are occupied by people from ethnically diverse neighbourhoods, and their uses transform the traditional conception of this base by employing it for market activities. In one municipal garden of Stockholm, 'Swedes' (Europeans) raise flowers and garden for relaxation and quiet as they have long done. However, 'Turks' (Middle Easterners) plant kitchen vegetables, such as garlic and leeks. Their products help defray the cost of household food. 'Chinese' (East Asian) women plant greens and harvest up to five times a year by using pesticides and fertilisers, and supply restaurants with their products. Each group, with rightful access to the land, uses it differently: for local pleasure or for its own sake; for local support or for the sake of saving money; and for the market or for the sake of making money. Within this space, members of the three groups sometimes resent and quarrel with one another, for they are using the land differently: as a base, as a mix of base and capital, and as subsidised capital. The culturally diverse groups, with differing positions in the larger society, build different economic communities in relation to the same base (Klein 1993).

When a base expands, it may affect the capital value of neighbouring private property and lead to conflict between the interests of a community and individuals within it. When airport noise increases due to runway expansion or a road is widened, adjacent property is affected. At what price should the owner of the property be compensated? (The opportunities for chicanery, or use of advance knowledge about base expansion, often are exploited for private advantage.) But does the indemnity for this 'basification' of private property ever mirror the size of the reverse flow, which is the price paid for 'debasement', such as the privatisation or market use of a shared base?

The shifting integration of base with capital affects the mutuality of a community, the subjectivity of its members and their well-being, because it alters connections between people and between them and their base, as well as altering their shared identity.

Material accumulations and services

A base may include material accumulations such as a stock of food, improved land, or tools and equipment that support present uses. In the uplands of Colombia, where household economies are found, a rural

farmer considers his crops, work put into the land, house, stored food, animals and tools as his base. This part of the base supports garnering future returns for consumption and sale. Governments stockpile food, oil, gold and other resources. The United States holds armaments; Cuba keeps food caches in case of natural disasters. Some nations provide retirement payments for workers, milk for children and welfare for the impoverished. Communities also provide services, from universal education to health care, social services and job training, although these programmes are being curtailed and privatised in many countries. Almost everywhere, households keep stocks of food and clothing in varying amounts. Poverty, from this perspective, means having no base. Charitable organisations, such as Goodwill in the United States, that provide low-cost, second-hand goods, may help provision the bases of the less affluent, but the problem of lacking a base afflicts a very large number of people in the world, such as urban squatters.

Prohibited spaces

The base may define a space in which activities may not occur. A nature reserve keeps an area from market or communal exploitation. In some areas of Guatemala, communities hold their higher forest lands from exploitation to preserve the watershed for irrigating the lower agricultural plots on which domestic and market crops are grown. Regulations about automobile emissions and car safety set spaces that private property cannot encroach. Rules about workplace harassment and safety, limits on the use of child labour and hours of work, zoning laws, and restrictions on the use of pesticides on crops and food additives define spaces that cannot be used in the market and sometimes in the community. Regulations on logging in a national forest stipulate both legitimate and prohibited uses. These rules limit the degree to which the base may be used in the market as well as in the community. Stipulations that limit debasement contribute to communal well-being but are often contested.

Base as sacra

The base is sometimes epitomised as an essential or prototypical good or object on whose existence a community relies. In parts of Latin America, potatoes, maize or rice are considered to be a basic or life necessity; raised at home, the crop is eaten daily if not at every meal. In East and Southeast Asia, rice often serves the same purpose; millet and other crops are considered necessities in parts of Africa, and among the Nuer, milk and cattle blood are sources of bodily vitality (Hutchinson 1996). The sacral part of the base is usually preserved and reproduced each year to protect the continuity of the living community with its ancestors and

potential descendants. Each household of the Iban in Sarawak plants a sacred strain of rice whose power grows with its perpetuation. This rice ensures the health of the other rice strains and the vitality of the household that consumes it. In the United States a basic, masculine meal used to consist of meat and potatoes; today this meal is consumed by everyone as hamburgers and french fries and it has been adopted in many parts of the globe. Other strength and identity foods in the United States that vitalise communal affiliation include hot dogs, Mother's chicken soup, Easter ham and Passover lamb, depending on the community and occasion. A community's sacra may also include anthems or folksongs, banners, flags, monuments, royal crowns, palaces, documents and buildings.

Base and the person

Through making and using the base, people affect, influence and communicate with one another, because it is a product and constituent of persons. The shared heritage lies outside the person as material resources and tools, and within as ideas and practices that are transmitted through socialisation, formal and informal teaching, and learning by doing. Some parts of the material base emerge from intentional acts, such as the fabrication of tools, monuments or a cave drawing, and some are unintentional outcomes, as in the case of a footprint or the remaking of the landscape when a plant species is domesticated.

Through the base, a person is the product of others, who in turn are prior products of yet others, and so on in a historical series. Respect for the ancestors, their accomplishments and effect on contemporary life, whether manifested through lineage rituals or making a weekly visit and placing flowers in a Swedish graveyard, expresses this dependence on the past.

Most economists' models accord a central position to the isolated, individual decision maker who is connected to others only by the constraints they impose on what can serve as means in his/her utility function. But there are other, dramatically different constructions of the person. In the case of Melanesia, Marilyn Strathern observes that 'persons are as dividually as they are individually conceived'. By 'dividual', Strathern means that Melanesians are seen as divisible and porous or unbounded. She continues: 'Indeed, persons are frequently constructed as the plural and composite site of the relationships that produced them' (1988: 13).⁵ The insight may be broadened: for one part, people are 'individuals' as abstracted in economists' models and in pure market trade; for the other, they are 'persons-in-community' when seen in relation to others and the base. The balance of the two visions and enactments depends on the society, situation and actor.⁶

Community identity is made up of connections forged through shared practices and conceptions, such as kinship, friendship and residence. For example, in rural Panama people claimed that one 'looked Panamanian' as a result of the rice, maize and beans that were grown in the same soil and eaten by everyone. People were alike for their shared sustenance from the land. In addition, the act of baptism created everlasting bonds between the godparents, the birth parents and the godchild. This spiritual or sacred tie could not be seen, but it had to be respected at all times. The bond connected people not as preformed units but constituted part of their personhood that was shared with others, especially in the case of the godchild, who did not become a full human (with rights to burial) until undergoing baptism and acquiring spiritual parents. The bond was recognised even at funerals, when the spiritual family prayed for the soul of the departed; and it was said that the first people to greet one in heaven were one's godparents and spiritual co-parents. In addition, kinship itself was formed by the acts of engendering and sharing blood, living together and eating common food. All these connections situated the person as a composite of relationships and as a repository of features from others that helped define personal identity in relation to that which they shared.⁷

The term 'base' in Panama referred especially to things held and acquired and to a person's agricultural and household skills, as well as the personal judgement and comportment that sustained the physical base. The personal qualities were a function of family 'breeding', in the double sense of rearing and ancestry. People's base, both within and without, reflected the community within and from which they emerged. But the conceptualisation of the base in relation to connections between persons may shift. For example, in Cuba the physical resources that make up the physical base are held and distributed by the state; but with shortages, this connection is weakening. Some people say that 'base' now refers to the personal ties on which one relies for assistance. A person secures needed food, money or an automobile part through a friend or family members.

The dialectic of making and being composed by the base varies both across societies and with respect to its influence on subjectivity: are the ties with others worn lightly on the surface, as in the case of the community morality exhibited in the Enron scandal, or does the person embody a mix of ties with others that must be enacted and re-enacted, on ceremonial as well as material occasions, because what affects one person influences another?

Implications

The concept of two interacting realms of economy, or market and community, and the base may be added to the toolkit of economic anthropology.

For example, the practice of 'redistribution', about which much has been written since Karl Polanyi (1944; see Isaac chap. 1, *supra*) is encompassed within the communal processes of allotment of the base and apportionment of flows from it. Reciprocity becomes a transfer of base that leads to communal inclusion in varying degrees, whereas autarky, always practised to a degree, signals communal autonomy. Transfers such as bridewealth or dowry are ways of rearranging the base and maintaining community, and they can be modes of gaining local power as well.

But this alternative model of economy has practical applications, too. With the discursive spread of modern economics, many practices to which anthropologists attend are being subsumed under rational actor theory, with its assumptions of ordered individual preferences, self-interest and maximisation under constraints. This model presumes that actions can be reduced to means (constraints and resources), ends (preferences or tastes) and efficiency relations of the two. Today, the hybrid concepts of 'human capital', 'social capital' and 'cultural capital' are used to explain the dynamics of economies as if an investment of financial capital could be rationally allocated among human skills, ideologies and relationships to increase the gross national product of an economy. These three concepts are abstractions from the social and cultural foundations of economy. The anthropological concepts of community and its base open a space for critiquing and providing an alternative account of an economy's dynamics.

For example, to foster economic growth the International Monetary Fund loans funds to nations but sets constraints on deficit spending and inflation, while imposing structural readjustment programmes. The World Bank seeks to meet basic needs and mount a 'war on poverty' by financing local projects within a nation. Both institutions assess projects and programmes by their rate of return. But the key developmental issue could be seen as helping people to build a base that in turn supports innovation, which is the key to material well-being. Founded on an economic anthropology framework, this sort of project will require new ways of thinking about 'development' and well-being, as well as local participation and discourse.

Parts of the environment, conceived as base, might be stipulated as lying outside the market arena. Instead of issuing limited rights to pollute that can be traded among corporations as market property, communities (as local groups, nations or transnational associations) may protect the environment by specifying actions and products as lying outside the market arena. These stipulations of what must remain as base or cannot be used within it will vary, but could include controls on logging, water uses, fishing, automobile safety and food purity. Nations and global organisations enact environmental standards today, but we lack a model

of economy that justifies these constraints on the market and on the metaphoric spread of market discourses. We lack a model that addresses community and well-being as part of economy.

Finally, anthropologists have long addressed the notion of property by seeing it in terms of social connections rather than as just a relationship between person and thing. But we might explore further the concepts of alienability and commensuration in relation to the base. The base is 'property' in one sense of the term. But it is not market property, because it is connected to a community of people as part of their identity and legacy. It lies outside the realm of market logic. This notion of base possession is found in all economies as part of the intertwining of community and market. What does it mean for social identity when a family house, a personal handicraft item or even the first dollar earned is separated from its communal context and sold? Every sale, every purchase is a market act and, to some degree, a communal action that affects identity. What range of market and of community do people establish and wish to maintain? Studying and understanding the contours and justifications of this interaction, which is occurring around the globe, falls within economic anthropology for it is part of the dialectic of community and market. Enhancing a discussion of the issues might be seen as a new political economy.

Notes

1. Granovetter (1985) identifies networks as having strong and weak ties, and suggests that weak ties may lead to more rapid diffusion of information.
2. According to *Business Week* (28 January 2002, at www.businessweek.com/magazine/content/02_04/6376720.htm), the goal of 'hundreds of respected U.S. companies ... is to skirt the rules of consolidation, the bedrock of the American financial reporting system and the source of much of its credibility'.
3. Karl Larsson, like Norman Rockwell in the United States, grew up in urban poverty. Both artists achieved market success by creating idyllic pictures of nurturant, thriving rural community life that for their compatriots became one meaning of the essence of 'Sweden' and 'America'. Both created nostalgic visions.
4. Dahl (1998) terms this right the 'Swedish Law of Commons'.
5. Referring to the Siane of Papua New Guinea, Strathern also observes: 'out of this composition of distinct elements persons emerge as hybrids of the human and non-human' (1999: 123; see also Strathern 1993). Her interesting conceptualization of the Melanesian person partly draws on the work of Mauss (1985 [1938]).
6. Markus et al. (1997) might label these differing constructions of the person 'selfways'.
7. Carsten (2004) explores some of the ways 'the person' is composed by relationships in different cultures; I am indebted to her study which picks up themes raised by Strathern (1988) and others.

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PART II

ELEMENTS

In the Introduction, I said that economic anthropologists generally see the economy as being the production, circulation and consumption of things. The chapters in this part address different aspects of this sequence of activities. Part II begins with a consideration of property, which is important in each of these stages. It then includes two chapters that deal with a central aspect of production, labour. Then follow two further related chapters, one on money and one on finance. This is followed by a consideration of forms of distribution, and then a consideration of forms of consumption. As is clear, this part does not address circulation as a distinct topic. This is because forms of circulation have long been a central concern of economic anthropologists, and indeed of anthropologists generally; so much so that the topic merits its own part, which follows this one.

7 Property

Mark Busse

In colloquial English, ‘property’ refers to things that belong to a person or group. One thinks of things like land, houses, cars and paintings, and more recently, perhaps, of songs, software or artistic designs. Things, and the relationship between things and the people who own them, comprise the two parts of dictionary definitions of property as owning, being owned and things that are owned. While such usage emphasises property as objects or things, anthropologists and legal scholars generally understand property in terms of social relations between persons with respect to things. In this view, property is not the thing itself, it is rights with respect to that thing: for example, the right to exclude others from using or benefiting from things claimed as property. Alternatively, property is sometimes thought of as a system of rules governing people’s access to, and control of, things such as land, natural resources, machinery, tools, texts, ideas and inventions. This approximates the standard definition used in economics, where property is a way of regulating access to scarce resources leading to their efficient use through the discipline imposed by market exchange. For many people in non-capitalist societies, however, ownership and property are conceptualised as social obligations both towards the things owned and towards other people with interests in those things. This is sometimes called ‘stewardship’. Definitions of property as rules, as regulation of access, as rights, or as obligations and duties, are all definitions of property in terms of social relations among persons with respect to things.

The use of ‘property’ to refer to things emerged in the seventeenth century with the spread of capitalist market economies and the replacement of limited communal and individual rights in land and other valuables, with individual, and almost unlimited, rights. Prior to this, as Macpherson (1978: 7) showed, Europeans and Americans understood property as a right not in the thing itself, but a right to do something with it (for example, to graze sheep, to collect firewood, to plant grain) or to benefit from it. Private property is increasingly ubiquitous in capitalist societies. Indeed, the seeming obviousness of private property and the rapid expansion of property claims to areas of human life previously not commodified, such as water or musical melodies, are key characteristics of late capitalism (Mandel 1978). Given this close historical association with

capitalism, anthropologists ask how useful the concept of property is for understanding non-capitalist societies and societies in which both capitalist and non-capitalist economic forms exist. This is an instance of a general problem in anthropology, stemming from the discipline's dual goals of detailed ethnographic description and cross-cultural comparison. Careful, contextualised analysis of culturally specific concepts and practices is the basis of good ethnographic description, and the unreflective application of a concept such as property to non-capitalist societies is problematic and risks misunderstanding and conflating phenomena that are different and diverse.

The problem is both conceptual and methodological. Ethnographic descriptions of property are descriptions of specific cultural settings, and local conceptualisations of social relations with respect to things are vital parts of such descriptions. In non-literate societies, understanding property in the strict sense can be made difficult by the absence of written records of ownership. In his book on economics on Tikopia, a Polynesian island in what is today the Solomon Islands, Raymond Firth (1939) provided an early discussion of the methodological difficulties of studying property in a non-literate society. He observed that Tikopians did not have straightforward words or phrases for ownership or property, and statements using possessive pronouns (for example, 'my house') might indicate ownership or simply denote activity in connection with an object. For example, the phrase *aku ne ta* literally means 'mine did cut'. It might be taken to mean 'It is mine because I cut it', but actually means simply 'I cut it' (in the sense of 'It was my axe work that did it'). The inadequacy of relying on language to understand property in non-literate or recently literate societies extends to the use of oral histories as evidence of property, a function that is sometimes imposed on them. Particularly in the investigation of property, Firth argued, anthropologists need to attend to what people do (and do not do) in relation to objects and in relation to other people, as much as (or perhaps more than) to what they say.

At the same time, to reject property as a cross-cultural category because each society is unique is to overstate cultural difference, to abandon the comparative project and to fail to see the ways in which different people have common political cause and comparable ways of making sense of the human condition. Property bridges economy and law as dimensions of social life. To ask how useful 'property' is in ethnographic description and cross-cultural comparison is similar to asking whether concepts such as history, economy and law are useful. To argue that a society does not have history, economy, law or property is to define it in terms of what it lacks and to suggest that it is inferior to those in which such concepts exist. As Chris Hann (2007: 289) has put it, 'The most basic element in the

anthropologist's approach to property is to question whether the understanding that has emerged in Western intellectual traditions can provide an adequate base for understanding the whole of humanity'.

A definition of property as social relations between persons with respect to things is useful both in ethnographic description and in cross-cultural comparison because it conceptualises property in terms of three components found in all human societies: people, things, social relationships. Recently, however, Caroline Humphrey and Katherine Verdery (2004) have questioned the analytic clarity of all three components. This goes beyond relativising. Building on the extensive and fundamental anthropological discussion of social personhood (for example, Carrithers et al. 1985; Fortes 1987; Geertz 1973; Jackson 1998, 2005; Marriot 1989; Strathern 1988, 1992a, 1992b), they suggest that stable and clearly bounded persons are the consequence of culturally and historically specific naming practices, censuses and, indeed, property regimes. In some instances, the particular form that personhood takes is a result of close ties between personal and group identity, and personal or culturally significant things; that is, a result of people's actions in making property claims. In this sense, property is not simply a form of social organisation to be discovered in the world. Rather, ideas about property create particular kinds of social persons, relationships and organisation. Similar arguments can be made with regard to the two other definitional components of property: objects and social relations. Property, in other words, helps to create what scholars take to be its component parts.

An intriguing approach to property is provided by a legal scholar, Carol Rose (1994), who argued that property is an ongoing process of symbolic communication and negotiation in which actors make claims. For a claim to be successful, the intended audience must both understand the claim and take it seriously. The intelligibility of the claim and the power and social positions of the actors making a claim are critical. This formulation moves beyond an analysis of persons, things and social relations, and suggests a view of property that is embedded in social relations and processual, rather than static. This is a very useful perspective for anthropology (see Busse and Strang 2011).

I shall discuss personhood and a processual view of property in relation to land, to other types of tangible property and to intangible property, after a sketch of the history of property in anthropology.

Property in anthropology

Anthropologists have considered property since the beginnings of the discipline late in the nineteenth century. As in other areas of anthropological investigation, the anthropology of property has both commented on

and extended ideas from Western social and political philosophy, where property has long been a central topic. Western philosophers going back to Plato and Aristotle have debated the origins of property, the relationship between property and the individual and the place of property in a just society. Plato held that collective ownership encourages the pursuit of common interests, while Aristotle argued that private property promotes prudence and responsibility and is vital for freedom. Modern philosophers also were concerned with the origins of property. John Locke proposed that ownership is established when people use their labour to modify an unowned thing. In the case of land, he argued, the labour that justifies ownership is cultivation or development. In contrast, David Hume, Jean-Jacques Rousseau and Immanuel Kant argued that possession or occupation, rather than labour, is the basis of property. Kant noted that one can only develop land if one already occupies it, and it was on this basis that he objected to the dispossession of indigenous people from uncultivated land, which ignored their prior possession. Kant also linked property, agency and the development of the person or self, as did G.W.F. Hegel, who argued that property gives an external reality to the idea of individual freedom. In the nineteenth and twentieth centuries, social and political philosophers have been particularly concerned with relationships between particular property regimes, such as private property, on the one hand, and on the other inequality and social justice (see Widlok and Tadesse 2005).

Anthropologists have both built on and critiqued philosophical discussions of property, person and society through comparative empirical investigation. Henry Maine (1861), a comparative legal scholar and early anthropologist, argued that property is a 'bundle of rights' that are potentially diverse, an enduring definition that drew attention to the potential for multiple interests in the same thing (see von Benda-Beckman et al. 2006). Lewis Henry Morgan (1974 [1877]), who was concerned with social evolution, argued that the rise of property as the dominant form of social relationship marks the beginning of civilisation and of complex socio-political organisation, patriarchy and the monogamous family. His work provided the empirical evidence for Friedrich Engels's (1972 [1884]) *The origin of the family, private property and the state*.

Marcel Mauss's (1967 [1925]) *Essai sur le don*, a key text in economic anthropology, also was concerned with the relationship between property and social evolution, although he approached property through an analysis of types of exchange. Using evidence from a variety of cultures, Mauss identified a type of society in which objects are never completely alienated from the people who made, used and exchanged them, and in which exchanges of objects serve primarily to establish and maintain rela-

tions between people. In such 'gift societies', the power of objects to create enduring social relations lies in the memories people have of their connections to those who possessed them in the past, connections that make each such object unique. Such continuing relationships between person and object, and the relationships that inalienable objects create and maintain between people, constitute a type of property very different from that found in societies in which objects can be fully alienated, sometimes called 'commodity societies' (see Gregory 1982). In such societies, exchanges of alienable objects serve primarily to establish relationships between the objects exchanged, by determining their prices and relative values. In a comparative semiotic analysis of concepts of work in Melanesia, Erik Schwimmer (1979) used the relative identification or alienation of objects and people, and the relative dominance of use value and exchange value, to argue that different systems of property and exchange create different types of person, ethics and social organisation.

One of the anthropologists on whose work Mauss based his formulation of gift societies was Bronislaw Malinowski. His research in the Trobriand Islands of what is now Papua New Guinea directly addressed the subject of property. Malinowski (1935) argued that in order to understand property, one should not focus on objects, but rather on the function of objects in networks of rights and privileges. The essence of ownership is not, then, static possession. Instead, it is a dynamic affirmation of a right to use a thing with, and in opposition to, others. Property binds people to objects and to one another, and also separates people through exclusion and boundary-making.

Anthropologists writing about property in the decades immediately following the Second World War tended to adopt Maine's definition of property as a bundle of rights and focused their research on how property rights were distributed through kinship and other forms of social organisation. For example, the sixth edition of *Notes and queries on anthropology*, a handbook issued by the Royal Anthropological Institute (1951), defined property as things over which persons or groups have rights. It went on to identify different categories of property (real estate, household and occupational equipment, personal effects, ritual objects, stock) and different types of rights (use rights, disposal rights, rights to control the use and disposal by others, rights to an income from use by others). Similarly, A. Irving Hallowell (1943) argued that property is one of a handful of basic categories which are found in all societies and which are fundamental to their organisation and maintenance. Hallowell understood property as a social institution, as a system of relations among individuals that includes rights, duties, powers and privileges. The significant difference between property and other social institutions, according to Hallowell, is

that property involves a triadic relationship that includes objects as well as people – person A owns object B against (in the sense of excluding) person C – a fact that is often suppressed in everyday statements to the effect that ‘A owns B’. (I take up the distribution of rights through kinship and other forms of social organisation in the following section.)

Anthropological interest in property declined in the period of decolonisation following the Second World War, a decline which Hann (1998: 27) attributed in part to the increasing fragmentation of social and cultural anthropology into specialised areas such as economic anthropology and legal anthropology, and the fact that property does not fall easily into a single specialisation. The anthropological retreat coincided with the period when economists’ views of property began to dominate debates to which economic anthropology had previously made significant contributions. The economists’ view of property as a way of regulating access to scarce resources and subjecting them to market discipline laid the foundation for a model of property as private property, which continues to dominate popular discourse today. However, the last 20 years has seen renewed anthropological attention to property (Hann 1998; Strathern 1999; Verdery and Humphrey 2004). This interest has coincided with the development of new forms of property resulting from new technologies; with the ascendance of neoliberal ideology, with its emphasis on free markets and private property, and the criticisms it generated; and with the collapse of socialism in Eastern Europe and the former Soviet Union, in which state-owned resources became private property (see Hann 2005).

Land

In many ways, land is the archetype of property, and often is the basis for thinking about other kinds of property. Early anthropological work on land tenure often was carried out in the context of the establishment of colonial land laws, while recent research has often been in support of, or in response to, the neoliberal view that private land ownership is necessary for economic development. This includes both the mistaken assumption that customary tenure is exclusively communal and the questionable assumption that customary tenure arrangements lead to low agricultural productivity. It also discounts the significance of strong emotional ties to land for individual and group identity. Finally, the neoliberal position ignores the ways in which systems of customary land ownership are themselves products of the expansion of capitalism and state structures, the very institutions with which they are contrasted. In what follows, I discuss anthropological work on communal ownership and private property, and then turn to the significance of land for identity and the ways in which land-tenure regimes create particular kinds of persons and social organisation.

In 'The tragedy of the commons', Garret Hardin (1968) argued that rational actors seek to maximise their individual gains even if it harms society as a whole. When land is held in common, he argued, that individual maximisation brings ruin to everyone. The solution is either private property or a system that limits access to the commons. In Hardin's view, communal ownership is only justified, if it is justified at all, when there is low population density. Increasing population density, according to him, requires abandoning communal ownership in favour of private property.

Already in the 1930s, Malinowski (1935) and Firth (1939) argued against simplistic dichotomies that divide property regimes into either communal or private ownership, and they described complex systems of tenure that included both sorts. On Tikopia, for example, land was owned by patrilineal descent groups called *paito*, but individual members of a *paito* cultivated particular plots of land as their own and a man could also obtain the right to use land belonging to his wife's *paito* (Firth 1965: 259). In other words, ownership and use rights were distinguished. At the same time, chiefs had the right to request contributions of food produced on any land, regardless of the *paito* to which it belonged. Firth (1965: 278) summarised the situation by saying that what appeared to be individual ownership was actually individual responsibility for 'group property'. Similarly, Max Gluckman (1965) used Maine's concept of property as a bundle of rights to describe how land among the Lozi, of Zambia, could be farmed by individuals in ways that appear similar to private property, while at the same time being controlled by village headmen and owned by the king. Household heads had the right to enough land to provide for their families, and that land was distributed by village headmen, who also reallocated it when it was no longer needed. Despite being the ultimate owner of all land, the king did not have the right to sell land as a commodity, nor could he deny the right of heads of households to the land that they needed.

Anthropologists have also challenged Hardin's assertion that communal property leads to lower productivity than individual ownership. For example, Robert Netting's (1976) research in the Valais region of the Swiss Alps demonstrated that communal and individual property have co-existed in relative stability there for at least 500 years (and in some areas much longer), with peasant holdings combining individual property with use rights in communal land. During the last five centuries there has been no clear historical movement from communal to individual tenure. Instead, the two types have provided different social responses to the challenges of particular kinds of resources and types of production. Gardens, grain fields, vineyards and buildings were owned, for the most part, by individuals and families, but community ownership of forests and high

summer pastures promoted general access and optimised production, while encouraging communities to take the conservation measures necessary to protect them from destruction. Netting (1976: 139) concluded that land use determines land tenure in peasant communities, and in the Valais ‘The “tragedy of the commons” . . . was . . . avoided by democratic decision based on sound awareness of the ecological consequences’.

In sum, by the time that Hardin wrote ‘The tragedy of the commons’, anthropologists had demonstrated that the complexity of land tenure in the societies that they studied was not captured by ideas of either communal or private property, and certainly not by a simple dichotomy between them. Research showed that various kinds of property rights in land (use, harvest, levy, alienation) are often distributed in complex ways across social structures, whether such structures are relations of kinship (as in Tikopia) or systems of political hierarchy (as among the Lozi). Furthermore, work subsequent to the publication of Hardin’s article has demonstrated that there is no simple correlation between individual land tenure and high productivity. Instead, different types of tenure provide different solutions to particular problems of land use and productivity. Taken together, the research on individual and communal tenure demonstrates that Hardin’s position was driven by particular models of personhood and an overemphasis on rational maximising behaviour, often to the exclusion of any other form of decision making or action.

A significant area of recent anthropological research has concerned the radical changes in land tenure that accompanied the collapse of socialism in Eastern Europe and the former Soviet Union. For example, Hann (2007: 297) wrote that, despite the promise of land reforms that began twenty years ago, post-socialist regimes have not been able to create efficient ways of registering land and judging claims. The result is that villagers continue to operate under the informal systems that developed under socialism. Even if the conditions for private tenure exist, one cannot ignore the relationships between property and social relations, community values and acceptable distributions of power and wealth. Summarising anthropological research on post-socialist Eastern Europe, Hann (2007: 302) concluded:

[A]nthropological investigations of the demise of socialist forms of ‘real property’ have demonstrated not the evolutionary superiority of private property but rather the limitations of liberal theories. Privatization has been generally associated with dislocation, widening social inequalities, and declines in output and productivity.

As Hann (2007: 295) has noted, ‘to view the socialist property regime as . . . an evolutionary aberration that only a massive extension of private

property could correct, is to ignore the complexity and authenticity of alternative ways of relating to the land and other valued goods'. The emotional and historical connections that link people to land, which give land one of its most important kinds of value, have mostly been ignored in economists' models of property, but they have been a focus of anthropological attention. In an early discussion of land among the New Zealand Māori, Firth (1959) argued that the value of land rested to a significant extent on the close emotional ties between the Māori and their land. These ties are marked by linking the names of chiefs to the names of mountains, a practice that established title to the mountain and the land around it, and which indicated the close identity between land and the person of the chief.

In writing about such historical and emotional ties, anthropologists distinguish between land on the one hand, and on the other landscape or place (Abramson 2000; Bender 1993; Feld and Basso 1996; Hirsch and O'Hanlon 1995). As used by anthropologists, 'landscape' and 'place' refer to the ways in which people create or give meaning to the physical world in which they live. In this framework, it is experience that turns land into landscape and space into place. As Barbara Bender (1993: 1) put it, 'Landscapes are created by people – through their experience and engagement with the world around them'. In this sense, landscape and place refer to ongoing processes, such as appropriation and dispute, through which meaning and identity are created. Such processes have been described in detail for the Pintupi people of the Australian central desert by Fred Myers (1986) and for the Foi people of Papua New Guinea by James Weiner (1991). According to Weiner (1991: 92), Foi landscape is iconic of human history because it is created and recreated through human activity. Land ownership among the Foi is partly a matter of patrimony, but 'this privileged access is "quickened" and authenticated by actual involvement with and use of the resource' (1991: 40), and that involvement transforms land into a landscape. For the Pintupi, land ownership is part of selfhood and autonomy rather than the politics of power, for it consists primarily of knowledge of stories, objects and ritual associated with mythical ancestors at a particular place (Myers 1986: 157).

Attempts to introduce private property regimes in Eastern Europe and the former Soviet Union can be seen as continuations of processes that have been taking place in colonial territories and post-colonial states for more than a century. Taking positions similar to Hardin's, colonial authorities and, more recently, experts from organisations such as the World Bank have promoted private property as essential for social and economic development. Such moves to private property run counter to the multiple, overlapping rights in, and emotional attachments to, land that anthropologists have repeatedly documented.

The contributors to a recent volume on land tenure in Australia and Papua New Guinea (Weiner and Glaskin 2007) attend to the processes through which customary, communal land tenure is being transformed into private property. Weiner and Glaskin (2007: 2) noted that this is part of a more general process in which 'non-Western cultural and social forms are incorporated and regulated by Western legal and statutory bodies'. Their conclusion, based on the evidence in the volume's papers, is that what is regarded as 'customary' is in fact produced by expanding state interests and capitalist forms and practices. Laws in Australia and Papua New Guinea that claim simply to identify customary, indigenous land-owning groups in fact provide a framework within which indigenous peoples are defined and managed by states. Such laws, and the administrative structures that support them, give rise to (even demand) particular responses in social organisation and self-identification without which indigenous peoples cannot participate or make claims. As Weiner and Glaskin (2007: 6) put it, 'If "customary law" and "customary social groups" are elicited as responses from indigenous people to pressures placed on them by the state and developers, then . . . different conditions and stimuli will call forth different versions of "customary" and hence different versions of "customary groups"'. Legal mechanisms related to land tenure do not, then, merely identify and register pre-existing groups; they actually produce them. In this sense, the law creates the facts that it claims simply to recognise, and particular forms of economic organisation give rise directly to particular kinds of persons and particular forms of consciousness (Coombe 2011: 115; Geertz 1983).

Materiality and immateriality of property

The materiality of property matters. The kinds of property claims that can be made depend on the materiality of the things being claimed. While land serves as an archetype for other kinds of property, recently there has been a rapid expansion of property claims in relation to things that are materially quite different from land and that were previously held to be common property or not property. These include, for example, water, fish stocks, the radio spectrum, traditional knowledge, culturally significant objects, the products of new biological technologies (such as genes). James Boyle (2003) has referred to this, and especially the expansion of property into what is called 'intellectual property', as a 'second enclosure movement'. While the things that are claimed differ from land in their materiality, anthropological examinations of this second enclosure movement demonstrate that, as with land, processes of privatisation directly affect conceptualisations of persons and groups by specifying the kinds of people and groups who can make property claims.

Water and fish provide examples in which materiality is central to how things are privatised and commoditised. The fluidity of water and the difficulty of measuring and containing it mean that it is much more difficult to turn into property than land or manufactured objects. In this sense, water is similar to fish or game, which move through the sea or across the land. In the case of water, what has been created is volumetric allocations of water. In other words, property in water is actually an allocation, or quota, of water rather than a specific, identifiable body of water. Veronica Strang (2004, 2009, 2011), who has written extensively about water in Australia and the United Kingdom, has argued that standard legal ideas about property do not work well for the ownership of water. As a result, there are possibilities for other kinds of ownership, and she has documented claims to water based on knowledge, identity and aesthetic and emotional attachments to place. She argued that these are subtle but important counter-movements in what has been an intensive drive toward enclosing what had been common property.

Monica Minnegal and Peter Dwyer (2011) have recently studied the introduction of the system of individual transferable quotas (ITQs) in the Australian fishing industry. This was presented as an attempt to manage fish stocks in a sustainable way. 'Wild' fish are similar to water in that they are not spatially fixed, but unlike water, fish have been commodities for a long time. What is new in the ITQ system is the commodification of the *idea* of fish, what Minnegal and Dwyer call 'paper fish' or 'virtual fish'. Today, fishers both try to find and catch real fish, and also engage in complex business deals and negotiations to acquire and hold the quota (the virtual fish) that entitles them to catch specified amounts of specified species of fish. Minnegal and Dwyer have described the effects of this new form of property, which does not, in fact, improve fisheries management, but instead changes both the fishermen and their social relations: ITQs resulted in trust and cooperation between fishermen being replaced by coercion and competition. As in the case of land, the extension of property rights to water and fish quotas give rise to particular kinds of social relationships, persons and subjectivities.

Similar transformations in persons and social relations have resulted from attempts by indigenous people to protect their traditional knowledge, practices and cultural objects from appropriation and exploitation by outsiders. Examples of ways in which indigenous knowledge has been appropriated for commercial purposes include the use of native crop varieties for improving seed stocks (Brush 1993), the transformation of traditional medicines into marketable drugs (Greene 2004), the use of traditional designs on T-shirts and other consumer objects (Brown 2003: 43–68) and the use of songs and melodies by commercial artists (Niles

2000; Seeger 1997, 2004). Today, such loss and appropriation is most often talked about in terms of intellectual property, a Western legal phrase referring to property that is intangible or has no physical form (Busse 2009; Busse and Whimp 2000).

Indigenous people's invocation of intellectual property to protect their heritage and to seek redress for what has been taken from them raises questions about the balance between intellectual property rights and efforts to defend a shrinking public domain and the notion of fair use (Brown 2010). The aggressive use of intellectual property law by corporations has been identified as a significant threat to free speech and political debate (Brown 1998; Coombe 1991), and indigenous people's use of property law to protect aspects of their culture, contributes to that erosion of the commons. At the same time, it is not surprising that indigenous people adopt the language of intellectual property. In doing so, they participate in a system in which intellectual-property claims to traditional knowledge, practices and forms are concrete manifestations of global processes of reification and commodification of culture as property (Busse 2009). In *Ethnicity Inc.*, John and Jean Comaroff describe how ethnic and indigenous groups increasingly commodify their cultures in order to survive in the neoliberal world in which they live. They (2009: 29) wrote: 'Identity is increasingly claimed as property by its living heirs who manage it by palpably corporate means: to brand it and sell it, even to anthropologists, in self-consciously consumable forms'.

The language of property is the language of the market, and a significant concern about using intellectual-property claims to protect culture and tradition is that property always carries with it the prospect of commodification, the assertion of substitutability through exchange and the possibility of alienation. Intellectual property (in the form of copyrights and patents) grants property rights for a limited time, after which the thing becomes part of the public domain, a result that is often at odds with the goals of indigenous people who seek to protect their cultural knowledge and practices in perpetuity.

The use of the phrase 'cultural property' pervades discussions about cultural objects and the people with interests in them. As Richard Handler (1991) has argued, the phrase is a worn-out metaphor because it is used in many diverse contexts and has lost its analytical value. In the context of museums, I (Busse 2008) showed that objects should be regarded as having person-like qualities rather than as sheer commodities and properties. The very importance of cultural objects, such as many of those in museums, shows that they play an active, rather than passive, role in human affairs. Their social dimension not only extends to their market value as property. When used in gift and other non-commodity exchanges, such objects repo-

sition both the giver and receiver, a social relationship that is lost if they are cast as cultural property (Baker 2008; Gell 1992, 1998).

Rosemary Coombe (2011: 105) recently argued that ownership is 'a process through which property-holders are constituted as social actors and as political agents'. In this sense, ethnic or cultural communities are made, not found, and increasingly they are made in the context of claims to cultural, intellectual and other forms of property. As in the case of land, intellectual property creates particular kinds of persons and social relations. Turning culture into property runs the risk that people will come to be defined primarily as property owners, both by those with whom they interact and by themselves. An example is the process by which people of a place became land-owning groups in Papua New Guinea in relation to resource-extraction projects (Filer 2007; Jorgensen 2007; Weiner 2007).

Most recently, Kristen Carpenter, Sonia Katyal and Angela Riley (2009) drew a direct analogy between indigenous communities and commercial corporations, asserting that the relationship between indigenous communities and culturally significant objects (including land) is the same as the fiduciary responsibilities of directors of corporations toward company assets. This is central to their argument that ideas of property can be used to protect cultural heritage, but the model for social relationship on which they base their argument is that of commerce and corporation, as well as related ideas of individuality, rationality and maximisation (for critiques of this view, see Brown 2010; Busse 2009).

Not only do property regimes redefine persons, they also redefine objects. In talking about cultural objects as cultural property, something is lost. Implied in their definition as cultural property is that they can be transacted like any other form of property, and that claims to rights in them need to be cast as property claims. What are suppressed are 'other equally important relationships and rights, such as relations of kinship or common citizenship, and rights to political self-determination or rights to political sovereignty' (Busse 2008: 193).

Concluding remarks

Kenneth Minogue (1980: 10) once wrote: 'The idea of property is rather like an iceberg. It is more complicated than it looks, and much of its significance is submerged'. Here, I have explored only a small part of what lies beneath the surface of property, and I have done so from the particular perspective of economic anthropology. Fundamental to this perspective is a concern about the applicability of concepts developed in capitalist societies for understanding non-capitalist societies or societies with a combination of capitalist and non-capitalist forms. This is a particular instance of

a more general problem stemming from anthropologists' desire both to describe and to compare. Defining property as social relationships between people with respect to things appears to have the advantage of defining property in terms of components – persons, things, social relations – found in all societies. A careful anthropological examination, however, reveals that all three are created, at least in part, by the very property regimes that they are taken to define. This goes beyond relativising, beyond reporting on the different cultural understandings of what constitutes a person, or of the nature of things or social relations. In this sense, property, like law and economics, creates what it appears to find.

This suggests the need, as Carol Rose proposed, for an approach to property that focuses on the processes by which property regimes both produce and are produced by ideas about persons, things and social relationships (Busse and Strang 2011). In this analysis, a careful ethnographic description of property claims and disputes is as important as an analysis of the concepts used in these processes as symbolic communication. Anthropology, which has long studied the diversity of ideas of personhood and agency, of power relations and of symbolic systems and social processes, is in a good position to examine property as negotiations of claims.

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8 Labour

E. Paul Durrenberger

Economists are known for their qualification ‘all other things being equal’, while anthropologists have made a discipline of the fact that things are never equal. Economic anthropology today is not best thought of as the study of economy in non-Western settings, but rather as anthropological approaches to economy in any setting. To meet their material needs, people produce, distribute and consume goods. Economic anthropology describes the systems in which people do these things, how these systems are organised, how they operate, how they got that way, how they relate to other systems, how people behave and make decisions in terms of such systems, and the consequences of people’s actions for the systems. To understand how various economic systems organise production, distribution and consumption, we have to understand what the system is, what its parts are and how the parts relate to one another. Another goal of economic anthropology is to describe these systems in locally meaningful terms that are universally relevant and useful for understanding any economic system at any time and any place (Durrenberger 1996).

Here I shall discuss how anthropologists have classified economic systems in terms of the means they use to organise labour for production, the classification of production units according to different roles of labour in them, the role of labour in modern complex societies, how globalisation affects the organisation of labour, and the relationships between people’s involvement with labour and the forms of their consciousness, their cultures.

Labour and the classification of economic systems

To understand capitalism, Karl Marx analysed the role of labour in the process of production. He observed that all useful objects are products of some amount of human labour. The amount of labour an object contains determines the value of the object in exchange for other objects. The amount of labour an object contains depends on the technology of the place and time and the organisation of the process of production. While this approach provides a means for understanding the role of labour in any system, Marx argued that the key to capitalism is the understanding and treating of labour as a thing that people can buy and sell, a commodity like any other.

Like any commodity, the value of labour is determined by the amount of labour necessary to produce it. Thus the value of labour is the amount of labour necessary to produce the things a worker needs for subsistence and to keep working. Capitalism can produce profits when people can organise production in such a way as to pay a worker the value of the worker's labour as wages and then use the worker's labour to produce the value of the wages and more. The difference between the value a worker produces and the worker's wages is profit. Capitalism, thus, depends on organising labour in such a way that it is possible for the buyers of labour to gain profits by their use of the wage relationship, a social relationship that organises production in capitalist societies.¹

The wage relationship is only one of the ways that labour, productive effort, can be organised. Eric Wolf (1999) argued that there are three main means of organising labour to extract value from those who produce it by their work: kinship, tribute and capitalism. Each defines a characteristic mode of production with its own forms of distribution and social relations, and its own beliefs, values and practices that make it seem inevitable and self-perpetuating. For capitalism, as long as capitalists own the means of production and workers do not, the capitalist mode appears to be self-perpetuating because workers are continuously forced back into working for capitalists after each cycle of production is complete. Because they have no access to the means of production, they can never break free of the cycle. He points out the critical role of the state in starting and maintaining this mode of production.²

These reflections give us a means of developing a comparative study of economic systems. We can arrange any political economy, any social order, in a grid with all others according to how it mobilises labour. Wolf and others seem largely agreed on a threefold classification of kinship, tributary and capitalist ways of organising labour. In kinship-dominated systems, relationships of kinship order relations of production. In tributary systems, force organises the uses of labour. Capitalist systems mobilise labour by conjoining the apparatus of states with property and wage systems. Put bluntly, when it turns productive resources such as common land into private property, the state deprives people of any practical alternative but to sell their labour as a commodity, which makes it available for capitalist production and the creation of profits.

If profit is generated by the difference between the value of labour and the value of its product, it is also generated by the difference between the cost and the product of machines. Marx measured the difference in terms of labour time; Alf Hornberg (2001: 148) argues for measuring something different, energy flows. He classifies possible modes of profit accumulation as (i) plunder, (ii) merchant capitalism, (iii) financial capitalism,

(iv) under-compensation of labour for its product by slavery, by barter through exchange of unequal amounts of labour time, by redistribution or wages and (v) underpayment for energy and raw materials for food in relation to labour, for fodder in relation to draft animals or for fuels in relation to industrial manufacture. He suggests that while some of these modes may be empirically observable in relatively pure form, most are inextricably mixed (2001: 69–70). Thus, several forms of production may operate in the same economic system at the same time. This raises the question of different kinds of units of production, for it is these that can exhibit different modes of accumulation.

Labour and classifying production units

The means of recruiting labour has been central for classifying not only political-economic systems, but also their component units of production. In capitalist societies in which firms recruit labour via the market, unwaged labour may continue to play an important role in other forms of production such as households, whose members provide most if not all of the labour requirements for production.

A Russian agricultural economist, A.V. Chayanov, argued that assessments of labour were central to the logic of peasant households. People produce according to the logic of the balance of the exponentially increasing drudgery of labour and the exponentially decreasing marginal utility of the goods their labour produces. To paraphrase Chayanov, the more people work the less they want to work more, the more their needs are satisfied by the goods they produce, the less satisfaction any additional ones add. When the drudgery of the next unit of labour exceeds the utility of the goods it produces, people stop working. At that point, it is not worth their effort to continue production (Durrenberger and Tannenbaum 2002).

Thus, households answer to a different calculus of advantage than do firms. While firms must always compute profits, households have no means of doing so because they pay no wages. So, unlike firms, for households the factors that influence the volume of production are the direness of need and the drudgery of labour. Chayanov conceived of the drudgery of labour as the inverse of productivity: the greater the productivity of labour, the less the drudgery. Thus, in the ascending curve of drudgery of labour, if a new process or technology doubles the amount that each hour of work produces, the assessment of drudgery for each additional unit of labour is only half as much. The curve of marginal utility of goods reflects the costs of the new process or technology because it includes the increased demand on the goods produced to compensate for it, for instance by purchasing productive equipment or paying interest on a loan. As this suggests, anything that affects the productivity of labour affects the balance of

production for households. If the fertility of land decreases, productivity decreases and drudgery of labour increases proportionally.

In making these points, Chayanov drew no distinction between producing goods for immediate use and for sale. However, if people produce goods for sale, anything that affects the price of their goods also affects their productivity, because their objective is the money from the sale. Thus, if the costs of transportation to markets are high, productivity declines because people receive less for their goods. In other words, Chayanov did not confine his understanding to agricultural households, but supposed that people would follow the same logic of advantage in households that produced crafts or other market wares. The value of Chayanov's analysis is that it is general, but all the factors that affect the utility and drudgery curves have to be locally defined in terms of the specifics of each example. This means that the analyses must incorporate the effects of the broader political and economic system on productivity and need.

This difference between the orientation of firms and of families can be illustrated with the North American fishing industry. Economists usually assume that fishermen operate according to the logic of profitability the way firms do. In New England, the southern US, and the east and west coasts of Canada, the fishing industry is diverse (Apostle and Barrett 1992; Griffith 1993; Marchak et al. 1987). Doeringer et al. (1986) found in New England that many fishermen did not leave the fishery when their economic model predicted they would. To account for this, they distinguished a capitalist sector from a kinship sector in the fishery, which is parallel to the distinction between firms and households. Because boats in the kinship sector are owned and operated by families and work is shared, people continue to fish as long as they can cover their costs. Consequently, the capitalist sector changes with market conditions, while the kinship sector remains more constant because it can survive conditions that are lethal to capitalists. In some New England fisheries the flexibility of the kinship sector to expand in good times and underemploy people to maintain itself during bad times gives it a competitive edge over the capitalist sector (Doeringer et al. 1986: 119). This is one of the ways that, even in advanced capitalist systems, production organised in terms of the household plays an important role (Durrenberger 1996).

If people produce for their needs, then the more consumers each worker has to support, the more income each worker should produce; the fewer consumers each worker has to support, the less income each worker should produce. The number of consumers each worker has to support is, then, one determinant of the level of marginal utility of the things (including wages) that workers produce. To assess this, though, we also need to assess 'need', which is not an absolute but a function of the socially

defined relevant standard of living. We also have to know all of the sources of demand besides supplying the needs of the people in the household: it makes a big difference whether one is in debt or already owns a farm or boat debt free. For households that are economic units, all sources of demand on income are equivalent, on a par with the consumption needs of household members. These are not treated as separate costs of the household's 'business'. On the other hand, firms operate in terms of the logic of the amount of profit they can extract via the difference between the wages they pay and the value that this labour produces.

State and labour in firms and modern societies

To understand modern political-economic systems we must understand the politics of capital as well as the economics of politics. The comparative perspective of economic anthropology allows us to re-examine contemporary capitalist economic systems from a viewpoint different from what Stiglitz (2002) called the religion of 'market fundamentalism'. He calls this a religion because it seems to be impervious to any counter-statements based on experience or reality. Its premises and conclusions, he suggests, are counter-factual and immune to the self-corrective feedback between hypothesis and observation that characterises science. In *Globalization and its discontents* (2002) he is intent to show that markets do not just exist as forces of nature: they are institutional structures with histories and costs. Markets do not occur naturally: the apparatus of states create them and must maintain them. Historical works show just how intense the involvement of states is in creating and maintaining various kinds of markets, as well as the role of wages, profits and capital in the process of development.

One view of development envisages an upward spiral of capitalist production that Wolf discusses (1997). People invest capital in technology that increases productivity and thus creates profits that can be put back into the production process as capital. As productive technology develops, it increases productive capacity and so reduces the amount of labour it takes to produce a given commodity, which reduces the commodity's cost and so protects the firm's share of the market. After all, those who control capital strive to produce as cheaply as possible so that they can sell their product for a smaller price and control a larger share of the market. As their market share increases, producers increase their productive capacity even more to further enhance profits, which can re-enter the production cycle to develop new technology, reduce labour costs and expand their sales even more. As this process continues, bigger producers use profits to lower prices and so increase demand. Thus, there are more profits, more capital, more efficient technology and higher productivity, more produc-

tion, lower prices and increased demand. The system spirals upward much in the way Marx envisaged in *Capital*.

Especially if labour is sufficiently organised to make collective claims, such economic benefits that the firm enjoys may be passed along as increased wages. However, it is in states in which the owners of capital hold relatively great influence that the anti-social dimensions of market fundamentalism become apparent. For instance, Kate Bronfenbrenner and her co-authors (1998) show that the weakness of the labour movement in the United States is due to well-organised, massive and often violent opposition, rather than worker lack of interest, individualism or some inscrutable difference between the US and European countries (Cohen and Hurd 1998; Durrenberger 1992a, 1992b, 1994, 1995, 1996; Vanneman and Cannon 1987 outline a general pattern of worker intimidation that Fantasia 1988 shows ethnographically).

The division between those who own capital and those who sell their labour to them defines two classes (Durrenberger 2000). 'Classes', Zweig (2001: 11) explains, 'are groups of people connected to one another, and made different from one another, by the ways they interact when producing goods and services'. The differences between them, however, are not limited to the realm of production. Rather, they extend into political and socio-cultural areas of life, where the rules and expectations that guide the economy are established in ways that suit the needs of the powerful. Different productive roles carry different incomes and prestige, but the most important feature is the different power they confer. Class is not a matter of lifestyle: 'It is about economics' (2001: 11). Zweig argues that a small capitalist class has the power to organise and direct production, while a vast majority of working-class people have virtually no authority. On the job, in the market, in politics, in culture, workers have little control.

Zweig shows that since 1972 the median individual income in the US has fallen 20 per cent, though family incomes remained unchanged because more people from each household joined the workforce. As companies made record profits they laid off workers, which increased people's feelings of insecurity. To maintain levels of consumption, working people resorted to unprecedented levels of debt. These changes occurred in spite of dramatic increases in output and productivity per hour of work. As production increased 42 per cent, 60 per cent of the gains went to the richest 1 per cent of families, while the bottom 80 per cent got just 5 per cent of the increase. As top incomes increased 77 per cent, the bottom 20 per cent of the population experienced income declines of 9 per cent. The poorest fifth of the US population worked 4.6 per cent more and got 4.1 per cent less income. The means of this increased appropriation of wealth from those

who produced it, Zweig argues, is successful class warfare of the capitalist class against the working class.

Global economics and politics

In his 1997 preface to *Europe and the people without history*, Wolf understood political economy as the study of 'societies, states, and markets as historically evolving phenomena' and questioned whether there is a universally valid analysis of capitalism (1997: ix). He wanted to understand how unstable systems of power to control labour develop, change and expand their reach through time and space over the structures that determine and circumscribe people's lives.

Social configurations, Wolf argued, have always been parts of larger contradictory connections. Since the rise and expansion of capitalism to all parts of the planet, the connections and contradictions have intensified until the system is so complex that it is quasi-random. That does not mean we cannot understand it, but it does mean we cannot predict what will happen with any degree of accuracy. Wolf argued that the main causes of this expansion and its effects are the processes by which a social order mobilises labour. To understand that, he focused on the institutional structures that guide relations of people with each other and with natural environments (that is, resources). The combination of ownership and management of resources with the use of hired labour in factory production enabled capitalism to undo other arrangements. There have been changes in the distribution of factories, markets, the recruitment of workers, technology and organisation to produce differing mixes of products. In early times the capital of traders financed these arrangements. In recent times computer-based information and control technologies with new means of transportation are decentralising production, ultimately making it global, and increasing the amount of production in households and workshops, which are more flexible than factories.

Hornberg (2001: 63) argues that the rationale of globalisation and free trade is the asymmetric transfer of labour time that is obscured by accounts kept in dollars instead of hours of work. We know about the transformations of ecosystems, he argues, because we can observe them locally, but we know less about the workings of global systems. He points out that the infrastructure of industrialising Europe was supported not only by the labour of their working classes but also with the labour of slaves from Africa, the soils of America and Australia, the forests of Sweden.

Sidney Mintz (1985) analysed the relationships among slave labour in Caribbean plantations and the working classes in English factories and the political-economic nexus that connected them so that the sugar the slaves produced subsidised the value of labour in English factories while

the cheapening factory labour subsidised the plantation economy. In fact, he argues that in the seventeenth century, Caribbean plantations, not English factories, were the cutting edge of industrial development. They were characterised by strict labour discipline to integrate millwork with fieldwork using interchangeable units of labour in an extremely time-conscious process that integrated more- and less-skilled workers using tools and facilities that did not belong to them to produce a product that the producers did not consume (1985: 50–52).

The industrialisation of Caribbean sugar may appear to be an example of the upward spiral of development. That spiral, however, has important consequences. It results in enlarged productive capacity and in surpluses that the producers cannot sell. This initiates a downward spiral. Producers need to reduce costs, so they cut costs of labour by making greater investments in technology to increase productivity even more. They combine efforts with competitors for research and development. They begin to sell their plants, fire middle management, convert permanent jobs to temporary ones and contract out as many processes as they can. As well, producers look for new markets where demand is greater than supply and relocate production in places where they can gain political favours to control wages and taxes and to provide access to markets. Here, state policies may be more or less attractive to companies. Those states that practise Draconian control of labour and the middle classes are more attractive (Wilson 1992) as are those that offer concessions to firms (Bonanno and Constance 1996).

Since the Second World War, manufacturing has moved to those places that promise low taxes, cheap labour and little regulation. If one place enacts or enforces environmental laws, the facility moves to one without such burdens. Smithfield, an American meat-packing company, moved its production unit from Virginia, with strict environmental laws, to North Carolina, with more lax regulations (Barboza 2000; Durrenberger and Thu 1997a, 1997b); General Motors moved auto production from Michigan to Mexico.

There is yet more. As productivity increases there is less return per unit manufactured, and thus less profit. This sparks a search for sources of capital other than accumulated profits. One source is capital markets. Of course, those who gain capital in the global capital auctions must pay for it, and the money they pay for the use of capital reduces their profits. The reduction of profits leads to pressure to reduce wages, and to corporations borrowing more capital. So there is a self-intensifying process of less profit, more borrowing, more payment for the use of capital, less profit. At the same time, the need to borrow capital leads to a shift in power from corporate management to the financiers who control the flow of funds to

corporations, and finance capital gains power over productive capital, over the machines and plants that produce things. So, when companies raise capital by selling stocks and shares, they shift from an emphasis on what Stiglitz (2002) calls the substantive economy, the production of things, to finance, and become liable to financial processes that have nothing to do with production. These can contribute to national crises and result in further quasi-random results that Stiglitz documents as international crises.

As the industrial sector has waned in the Northern Hemisphere, as firms seek locations with fewer restrictions on their activities, labour has become an international commodity. One result is that unions lose influence, for they have been rooted in local conditions and processes (Durrenberger 1997; Durrenberger and Erem 1997a, 1997b, 1999a, 1999b, 2000). They may try to regain political and market influence by organising service employees, including public workers. However, when they organise public workers effectively, governments privatise the work; when they organise the private sector, corporations hire temporary workers or move the work to other locales.

The processes I have described indicate that unions operate in an environment that is shaped by states through their laws, policies and practices, and the political power they represent. If anthropologists have not developed theories of states, sociologists have them to spare. Bonanno and Constance (1996) classify these as theories that cast the state (i) as an instrument of the capitalist class, (ii) as an institution with some autonomy from capitalist domination, (iii) as an autonomous institution and (iv) as an institution that is a mix of instrumentalist and autonomous roles.

The first sort of theory asserts that the state is an instrument of the capitalist class either because state bureaucrats are of the ruling class they are bound to that class through socialisation, or because the capitalist class exercises control over the state by means of its control over the economy. The second, the relative autonomy view, holds that the state balances the interests of capitalists with the state's need to legitimate itself via ideology and the allocation of resources to other class interests, while maintaining relative autonomy from class interests. The third, the autonomy view, holds that the state maintains its own agenda and interests apart from the capitalist class or any other. Bonanno and Constance favour the fourth, the mixed approach. They say that capitalism is not possible without state participation because the state maintains the conditions for the reproduction of capital, but at the same time the state mediates other interests to legitimate itself. The state in this view is not autonomous because it is dependent for its resources on accumulation through economic growth.

Accustomed to thinking of non-state systems and different kinds of

states and economies, anthropologists note the short-term nature of these sociological representations because they all centre on the role of states in capitalist systems. When we add a historic dynamic of globalisation that expands commodity relations around the planet (Wolf 1997), we see that the conditions of accumulation and the roles of states continuously change as different kinds of political and economic roles rise and fall at different times and in different places. With the globalisation of production, some owners of capital pressure those states that have maintained conditions favourable to capital to adopt protectionist measures, while others push in other directions. This is apparent if we consider the different ways that firms sought to protect their profit and improve their competitive position in the final third of the twentieth century.

In the United States, many firms focused on reducing the cost of labour by a sustained attack on organised labour (Gottschalk 1998) or by exporting jobs to Third-World countries that offered plentiful, low-cost female labour for labour-intensive manufacturing processes in textiles, garments, shoes, toys and electronics. In Europe, on the other hand, countries were protected by tariff barriers and inexpensive regional and migrant labour. Japanese corporations increased productivity by revamping manufacturing methods and increasingly used low-cost labour in Taiwan, South Korea, Thailand and Malaysia (Wilson 1992). Low-cost labour, however, was not available everywhere. In Latin America, industrial workers joined with the growing urban middle classes and the influxes of rural migrants to produce populist movements that, among other things, demanded a share of the fruits of industrialisation. These countries were not attractive to corporations that wanted a labour force that could be denied an increasing share of the wealth they created. In other parts of the world, the situation was different: Hong Kong, Taiwan, Singapore and South Korea maintained authoritarian control over their middle classes and workers, often with direct military and police assistance from the US (Wilson 1992).

Thus, the policies of different states created different environments, more or less attractive to multinational corporations. National trade policies exposed First-World corporations to competition or protected them from it. As the global system expanded the role of states changed, sometimes quickly. And of course when states had to approach the World Bank for loans, they lost control of their economic policies. These instances show why the global system is chaotic and not given to prediction: the forces at work are complex and contradictory. For instance, we cannot specify a single set of functions for all states: states gain influence; states lose influence; American foreign policy sets the stage for oppression of labour in Asian lands; Asian lands offer opportunities for corporations seeking cheap labour; and so on.

The kind of production complexity that is associated with this state of affairs is illustrated by the tuna industry (this discussion draws on Bonanno and Constance 1996). The tale begins with Thailand's Board of Trade, which favours export-oriented firms and makes the country a favourable locale for tuna canning. Safcol is a subsidiary of Southern Farmers Group, Australia's third-largest food processor (which in turn is part of Industry Equity, the fourth largest company in Australia). It has seven tuna processing plants in Thailand. A subsidiary of Safcol in San Diego purchases frozen tuna on the world market, which feeds the processing plants in Thailand, and it distributes the products in the US. Why do things this way? Most of the labour cost of processing tuna is filleting them. Processors therefore ship the tuna to where labour is cheap, process them there, freeze them and then ship them to plants in US territory, such as American Samoa or Puerto Rico, where they can be canned and sold as a product of the US. Of course, Safcol is not the only global tuna firm. The world's largest exporter and canner of tuna is Unicord of Thailand, with nearly half of its sales in the US, a third in Europe and 8 per cent in Japan. To counter US tariffs and quotas on imports of tuna, Unicord purchased a US tuna company, Bumble Bee. The base of this operation is Unicord's Thai factory, which employs 7,000 workers.

By 1987, 35 per cent of American tuna was imported from Thailand, forcing US processors to move offshore and close their mainland canneries because of high operating costs. Unable to withstand the foreign competition as the amount of imported tuna tripled, US companies began to put their labels on imported canned products, or get out of tuna altogether. In 1988, the Ralston Purina company sold its tuna arm, 'Chicken of the Sea', to Mantrust, an Indonesian conglomerate with three tuna canneries in Indonesia and one in American Samoa. They closed the 'Chicken of the Sea' factory in Puerto Rico and opened one in Bali, where the wage for packing tuna is about US\$1.45 per day.

This sort of complexity poses a problem for economic anthropologists, who have built their part of the discipline upon ethnographic fieldwork among people in specific places studying visible social relations and processes. The problem economic anthropologists face is this: the processes that I have described here are not visible in the ethnographic study of locales. If we follow the daily lives of Thai factory workers (as did Mills 1999) we lose sight of the factors that determine the conditions of their lives, for these come from elsewhere. In a sense, we study the effects and ignore the causes. However, to concentrate on those factors takes us far away from the docks and boats, the coffee houses and bars where anthropologists could do ethnographic fieldwork. It takes us instead to corporate reports and archives, to tables of numbers and abstractions that we

cannot see, it takes us to those nowhere lands where there are no people, the systems that somehow exist in another dimension created by the cultural imagination, places like corporations and nations and agencies. And when we do find people there to talk to, they will be wearing silk blouses or neckties, and we feel uneasy when we try to wear their costume in order to blend in.

Labour, culture and consciousness

Wolf (1999) visualised a complex dynamic of the interworkings of ideology, organisation of labour and disposition of products. After presenting historical and cultural material on each of three detailed examples, he concludes that the notion of culture is useful if we think about specific practices and understandings that people devise and use to deal with their circumstances. The concept of culture allows us to unify realms we might otherwise think of as separate: people's material relations with the world, social organisation and configurations of ideas. People, he says, use their ideas as guides to act upon the world and change it, and as that activity changes the world and the social relations in which people are enmeshed, people reappraise their relations of power and their cultural constructs.

Wolf's approach is a variety of practice theory, which suggests that actions shape thought. Jean Lave (1996: 5) argues that, in acting, people often are engaged in 'helping each other to participate in changing ways in a changing world' in a continual process of learning. As Lave and Wenger (1991: 33) put it, 'agent, activity, and the world mutually constitute each other'. Practice theory suggests that 'priority, perspective and value are continuously and inescapably generated in activity' (Lave 1988: 181). To control activity, then, is to shape thought.

If we can specify the relations among structural, organisational or tactical, and interpersonal power – how the exercise of power organises settings, controls settings and shapes interpersonal action – we can show how power shapes activity and thus those patterns of thought we call culture. Thus we can move from the assertion that there is cultural hegemony, a dominant way of thinking about the world, to an understanding of how it operates by shaping daily activity and, through it, thought. Roy D'Andrade (1999: 100) moves us toward this understanding when he poses the question: 'culture is related to what, how?'. We need, then, to understand the relationships among social and economic systems, cultural forms and action. This is the issue in Wolf's last work (1999), where he answers D'Andrade's question by describing the relations among power, ideology, stratification and the allocation of labour, to show the role of power in defining the cultures that determine how people understand their situations and lives.

Along similar lines, Hannerz (1992, 1996) argues that people construct meanings from their location in social structures, which shape the flow of available experiences and intentions. 'Through the interaction of perspectives, culture is produced' (Hannerz 1992: 68). For Hannerz, then, as for D'Andrade and Wolf, concrete personal experiences are the basis for generalised understandings, and generalised understandings are frameworks for interpreting experiences. Shared meanings are tied to the specific experiences that people share in the settings in which they live their lives.

Suzan Erem and I have addressed these questions in our studies of local branches of labour unions in the United States. If class consciousness is the awareness of classes and their positions in economic and political systems, 'union consciousness' would be a similar awareness of unions among union members. We found that there was no relationship between union activism and union consciousness. This led me to conclude that how shop stewards think about the union is irrelevant to their level of activism (Durrenberger 1997). There was, however, a relationship between union consciousness and the place of the union in the organisation of worksites, though this is a dimension of the structure of the workplace rather than a dimension of thought or cognition. We documented a shift in consciousness that accompanied a shift in the nature of the union at one worksite, from being instrumental and strong to being ineffective and weak. In the earlier state, members thought of themselves principally as union members; in the later, they saw themselves much closer to company management (Durrenberger and Erem 1999a).

Our findings illustrate the point made by Lave and Wenger (1991), that while abstractions do not change people's actions, changing the nature of concrete everyday life to involve them continuously in action does. This raises the question of the relationship between thought and action. Union members' awareness of their union is related to the structures of their worksites (Durrenberger 1997), and when the structures of everyday action change, members' patterns of thought change (Durrenberger and Erem 1999b). These findings support D'Andrade's (1999: 89) conclusion, that 'Cultural reality is more often reality-shaped than culturally constituted', and corroborate Barrett's observation (1999: 261) that 'social structure (or material culture) shapes people's lives at least partly independent of their consciousness'.

When I asked one group of shop stewards what accounts for people's problems on the job, they replied that the causes are, in descending order of importance, co-workers, supervisors and management policies. So, structural factors such as policies and laws do not seem as important, in their view, as personal factors. In their daily work life, stewards see their co-workers as the cause of many of the problems they have to deal with

and supervisors as the reason for the rest. An external view might suggest that the causes of such problems could be structural. For example, workers may be unaware of a weakening of government health and safety regulations, or may suppose that this has no consequences for them. Put differently, the changes in regulations themselves may seem to have no direct impact on union members' lives, and workers may not think in terms of relations between workplace injuries and those regulations. However, when these changes are reflected in changes in company practice, grievances that derive from work-related injuries will increase, which will result in conflicts between supervisors and workers over the regulations.

Thus it is that everyday realities are more powerful in determining patterns of thought than those patterns are in determining the everyday realities of people's lives. For these shop stewards, the overwhelming everyday reality is 'keeping the peace' at work and enforcing contracts against an often hostile management and keeping their members from losing their jobs. That is where their energy goes, and there is little left over for political activism, for supporting friendly politicians and organising more workers. If the consciousness of these stewards can be said to be false, it is at least realistic, for it reflects the realities of power at their workplace. If their consciousness is false, it may not be so much because of the hegemony of a particular class-cultural perspective, but because of the ability of their employers to shape the daily lives of workers in their workplaces, realities that become encoded as patterns of thought.

Many of the most important determinants of these everyday realities reveal the use of power to pursue class interests as clearly as in any of Wolf's (1999) examples. In the US, these include the moving of capital to low-wage countries and areas without organised labour, the shift to a service economy and the changes of law and administration that have moved unions towards being bureaucracies for handling quasi-legal cases (Durrenberger and Erem 1997a, 1997b). More direct examples of this use of power include the anti-union offensive of the 1970s and 1980s (Bronfenbrenner et al. 1998: 3) and the industry of consultants employed to keep enterprises union free (Levitt and Conrow 1993).

The chief goal of the union movement in industrial societies is to redress the structural imbalance and give some sense of agency to those who provide labour but do not necessarily control the conditions of its use. It does this by attempting to develop collective power based on structural principles other than wealth. Under normal working conditions there is no space for working-class solidarity (Fantasia 1988). Part of the reason is the gap between the day-to-day experience of union members in their workplaces and the power relations that determine those realities. Stewards do not think in terms of distant causes when they must resolve a workplace

problem, when they have to 'keep the peace'. They think in terms of the immediate situation and personalities involved. They think in terms of individualistic models of consciousness and action, a powerful cultural model in the United States. So, while an outside analysis may indicate the strength of broader factors in framing conflict-ridden interactions between labour and management, the experience of stewards may indicate to them that individuals and personalities are stronger. However, stewards' experiences are in significant part the result of those broader factors, which end up putting stewards in the role of peace-maker rather than representatives of workers, a role that determines the flow of experiences and intentions upon which they base the cultural models that inform their actions.

Conclusion

The ways labour is organised for production is important for defining a society's political and economic systems, and economic anthropologists have described the organisation of labour in societies of many different sorts. However, as capitalist systems have developed they have spread across the planet to influence the economic systems of most people, and in doing so have moved many people's experiences closer to that of the wage labourer in the global economy. And since work is an important part of most people's lives, it is a central factor in determining their consciousness and the shapes of their cultures.

Notes

1. Marx's *Capital*, available in numerous editions, is a detailed unfolding of his understanding of the wage relationship in capitalism.
2. Joseph Stiglitz (2002), an economist, has analysed the necessity for states to establish and maintain the markets and other relationships that are necessary for capitalism.

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9 Industrial work

Jonathan Parry

Industrial work has had some bad press. Consider Charles Dickens's Coketown 'where the piston of the steam-engine worked monotonously up and down, like the head of an elephant in a state of melancholy madness'. Consider the 'robotisation' of the assembly-line worker, and the resigned monotony of a regime that imposes, in Jean-Paul Sartre's acid formulation, 'a captive consciousness kept awake only the better to suppress itself' (quoted in Beynon 1973: 20). And remember that it is one thing to force people to come to work, and another to persuade them to work when they have come. How is that done?

Teleological narratives

Though from different theoretical positions, industrialisation is often represented as an inexorable process that has determinate effects on economy, society and culture. Industrial societies are qualitatively different from pre-industrial ones and, notwithstanding their different starting points, converge on the same design. The English Industrial Revolution pioneered the path that others would tread. The implication once unblushingly drawn was that industrialisation in Africa and Asia would lead the late-starters along a trail blazed by Birmingham. Tribesmen would become townsmen; peasants would become proletarians. As Gluckman (1961: 68–9) famously claimed, 'an African townsman is a townsman, an African miner is a miner' who 'possibly resembles miners everywhere'.

Teleological narratives of this sort are not fashionable in contemporary anthropology. Culture must count that anthropologists may dine; and we find plenty of instances in which the expected transition to an urban-industrial way of life has not occurred, or is even reversed. When a pattern of circulatory migration between the countryside and the factories in town has persisted for more than a century, it is no longer clear that proletarian butterflies must emerge from peasant chrysalises (for example, de Haan 1994). And when Kanpur textile workers (Joshi 1999) and Zambian miners (Ferguson 1999) are forced back on half-forgotten ancestral villages, the reel of history seems to run backwards, from factory to field.

But even if the impetus to industrialism is reversible, and even if the way in which family life, and political and religious activity, is organised

remains stubbornly different in different industrial societies, it is hard to deny Dore's (1973: 11) premise that those institutions that surround the organisation of work will have the greatest tendency to converge, since they are most closely determined by technology. A second but related premise also seems plausible, at least at first sight: modern machine production imposes work regimes of a quite different character from those that existed before. According to the argument of one of E.P. Thompson's best-known essays (1991 [1967]), it created (or at least promoted) a new conception of time and a new kind of work discipline. In the pre-industrial world, work is task oriented and governed by the rhythms of nature, and bouts of intense labour alternate with long periods of idleness. But modern industry is governed by abstract clock-time, which imposes a new kind of work discipline and effects a new kind of differentiation between 'work' and 'life'. The main catalyst behind this revolutionary transformation is large-scale machine production that requires an elaborate synchronisation of tasks, and demands that plant be kept in constant operation in order to repay the capital invested in it.

In mid-eighteenth-century England, the household had characteristically been a production unit to which all of its members contributed.¹ By the middle of the nineteenth century, as the conventional story unfolds, factory production had created a split between the workplace and the home, work and leisure, and between a public and private sphere of life. The first came to stand for the egoistic values of the market; the second for the values of mutuality, reciprocity and community (see, for example, Carrier 1992, 1995). 'Work' was not only increasingly separated in time and space from the rest of life, but was also seen as a separate sphere of human activity associated with 'the economy', itself progressively marked out as a separate and autonomous domain (Dumont 1977; Polanyi 1957 [1944]). As women's and children's participation in the workforce declined as the century progressed,² it was also an increasingly masculine sphere. Many households came to depend on the wage of a single male breadwinner, and the loss of waged work acquired a new and more desperate meaning. It was only towards the end of the nineteenth century that 'the unemployed' became a distinct social category and 'unemployment' came to be seen as a pre-eminent social problem (Kumar 1988).

While rapid industrialisation in several Southeast Asian economies in the last quarter of the twentieth century was largely built on the cheap labour of young unmarried females (case studies are in Ong 1987; Wolf 1992), the gradual elimination of women from regular industrial employment was repeated in many older Third-World industries, such as the Bengal jute mills (Sen 1999) and the Indian mines (Simeon 1999). In India especially, manual labour, particularly when performed for others, is held

in low esteem, and the household's ability to withdraw its womenfolk from such employment is an important marker of its status and respectability. It is also, of course, an index of material well-being. That too goes for unemployment, which is highest in India's most prosperous states. In the absence of state benefits, only the relatively advantaged can afford it (Holmström 1976: 51). Unless supported by other household members with regular employment, men and women who cannot find (or are made redundant from) factory jobs do not join the ranks of the unemployed but become hawkers, rag-pickers, casual labourers and the like. 'Housewife-isation' has not therefore been the invariable result of the decline in factory employment for women, and the trend towards it in Western countries has of course been significantly reversed in recent years. But the dominant historical trajectory during the first century of industrialisation was towards a narrowing of the definition of those deemed eligible (in terms of age and gender) for regular industrial jobs, and an expansion of the demands placed on them in terms of discipline and regularity. The question of their consent to these demands becomes all the more pressing.

'Commitment' and the legacy of the past

The consent of neophyte industrial workers is often reluctant, or so their employers complain. In the US, high levels of immigration supposedly meant that 'pre-modern' work attitudes persisted into the early twentieth century. In Pennsylvania mill and mining towns, a Polish wedding would last three to five days, while the Greeks had more than 80 holy days a year: 'non-industrial cultures and work habits regularly thrived and were nourished by new workers alien to the "Protestant" work ethic' (Gutman 1988: 126). Capital is not always as omnipotent as it seems.

In colonial Africa and Asia, the problem was seen as even more intractable. The 1931 *Report of the Royal Commission on labour in India* found that workers in industry had often been driven out of their rural homes by economic necessity, and had little enthusiasm for its discipline. The village remained the centre of their social and emotional life: hence their desultory work performance (Breman 1999a: 4–5). Nationalists blamed India's industrial backwardness on the British, but often internalised their teleological assumptions. Freed from the shackles of imperialism, India would rapidly 'progress' along the path to Western-style industrial modernity (which is just what Gandhi feared). However, it soon became clear that these expectations were exaggerated. Echoing the old colonial stereotypes of the industrial worker as still a peasant at heart, the defective 'commitment' of labour got most of the blame.

Morris (1960), however, dissented, arguing that labour performance reflected market conditions and employers' policies.³ The Bombay textile

mills wanted workers who could be paid a pittance and hired and fired at will. Circular migration from field to factory and back again fitted with their fluctuating demand for cheap, flexible labour (see, more recently, Chandavarkar 1994). So, far from creating a united working class, as the Marxists supposed it would, industrialisation in India has often reinforced the 'pre-industrial characteristics' of the workforce by buttressing dependence on kin, caste-mates and co-villagers (Chandavarkar 1994: 122). It is the strategies of capital that create the 'shortcomings' in labour of which capital so loudly complains.

The Marxists, as this reminds us, have their own teleological vision that produces its own variant on the problem of 'commitment': the workers' *lack* of commitment to unified political action in pursuit of their class interests. In India, as elsewhere, class unity and consciousness have emerged only ephemerally. The question is, why? The short answer is that the Indian working class is so deeply fragmented by two kinds of structural division that it is reasonable to ask whether it is *a* working class. First, it is divided by 'primordial loyalties' carried over from the pre-industrial, pre-capitalist world: divisions of caste, religion and region that lead Chakrabarty (1989: 218) to conclude that the worker's 'incipient awareness of belonging to a class remained a prisoner of his pre-capitalist culture'. Second, they are divided by the way in which industrial production itself is segmented. Like many others, the Indian labour force is sometimes described as dual, bifurcated between those who work in what are variously labelled the formal and the informal economies (see Chen chap. 28, *infra*), or the organised and unorganised sectors.⁴ Those in the formal or organised sector are commonly an 'aristocracy of labour', whose lives and aspirations shade seamlessly into the middle classes (Holmström 1976; Parry 2003). Those in the informal or unorganised sector are generally downtrodden casuals (see Breman 1994, 1996).⁵ The real question, then, is 'not so much why the working classes have failed to realise the expectations theoretically imputed to them but how and why at times they came together at all' (Chandavarkar 1994: 15).

It is not, of course, only for India that working-class consciousness can be questioned, witness Roberts's (1978) account of the distinctions of status and material condition that during his childhood pervaded even Engels's 'classic' Lancashire slum. Nor is it only in India that labour commitment is influenced by the legacy of the past. In her study of women workers in large-scale state-run silk factories in the southern Chinese city of Hangzhou, Rofel (1997, 1999) argues that work attitudes and application are significantly a product of the history through which three different cohorts of workers have lived. With the Great Leap Forward (1958–60), women began to enter silk factories in large numbers and were treated as

heroines of emancipated socialist labour, which made them highly desirable brides. Workers of this oldest cohort had 'accepted the socialist state's discourse that labor is the essence of meaningful identity' (1997: 169) and work with 'socialist diligence'. By contrast, those who came of age during the Cultural Revolution learned to equate 'high political consciousness . . . with refusal to participate in production' (1997: 161) and are prone to ostentatious malingering and recalcitrance towards authority. With the economic reforms of the post-Mao period, the wind changed once more. The de-feminised worker of the Maoist era with her unisex clothes is now a figure of fun; hyper-femininity became the 'symbolic ground of a new liberation from socialism' (1999: 19). The minds of this youngest cohort are on other things, and carelessness and poor quality mar their work.

Ideas and practices inherited from the past can also provide an ideological resource that workers may tap to criticise or even resist industrial discipline. This is the argument of Nash's (1979) celebrated study of Bolivian tin miners, which attempts to resolve (with, perhaps, some element of wishful thinking) the Marxist problem of how an industrial proletariat can ever constitute a revolutionary force if they are alienated not only from the means of production, the products of their labour and the work process, but also from each other. Her answer is that they are not alienated in this last sense and that it is through their common commitment to a set of pre-Hispanic symbols and rituals that the miners are able to recreate their solidarity in opposition to management. Most importantly, their unity is sustained by shared beliefs in two pre-Conquest supernatural figures who survive in a new guise: Pachamama, now transmogrified into the Virgin Mary, who controls the fertility of the land; Tio, now transmogrified into the Christian devil, who is the Lord of the Mountain and the wealth it contains. Taussig's (1980) re-analysis of this data went further. These beliefs provide the miners with the material for a kind of proto-Marxian critique of capitalist relations of production. The pre-Conquest Tio may, for example, have been dangerous and capricious, but he was not the embodiment of pure evil that he later became. As the spirit guardian of the mines he is identified with their human owners, and now appears as a blond, red-faced, cigar-smoking Gringo in cowboy boots. Capitalists are revealed as the devil incarnate. Though Taussig's de-coding of this symbolism is open to criticism (see, for example, Harris 1989; Sallnow 1989), it is not hard to suppose that miners saw owners like that. During the colonial period, an estimated eight million Indians, many of them forced labour, lost their lives in the mines. Incredible wealth was extracted, but those who extracted it were a totally impoverished colonial lumpen proletariat (Taussig 1980: 201–3).

Coercion and consent

In circumstances like these, and those described by Allen (1994) for the coal mines on the Japanese island of Kyushu into the 1960s, it is easy to explain why workers work. They are physically coerced. Though it is true that violence and intimidation are now rarely regarded as best management practice, even in the contemporary world it is striking how frequently management falls back on them when less crude methods of control break down.

Mostly, however, coercion is less direct. 'Free labour' is often considered to have been a precondition for the development of industrial capitalism. Workers must be legally free to dispose of their labour to whoever they like (that is, to sell it as a commodity on the market to the highest bidder); and free from ownership of the means of production. In other words, 'free' labour is labour which is coerced, not by institutions like slavery, but by the imperative that it exchange itself for a wage in order to live. Much of Polanyi's masterwork, *The great transformation* (1957 [1944]; see Isaac chap. 1, *supra*), was concerned with the way in which the Industrial Revolution in England was an institutional revolution which made labour 'free'.

In many parts of the world, however, 'capitalistic' industries have utilised workers who are far from free. In fact, Mintz (1985: 47f.) has argued that, well *before* England's Industrial Revolution, Caribbean sugar plantations developed a system of industrial production worked by slave labour. Equally, much migrant labour owns some of the means of production: many have peasant holdings to fall back on. This is an advantage to capital that allows it to escape the costs of reproducing its own labour;⁶ and a disadvantage in that it supposedly creates problems of 'commitment' and allows workers to sustain themselves during strikes.⁷ Such a safety net partly explains why employers in small-scale Indian industries sometimes attempt to reduce the freedom of their workers through debt bondage (Breman 1999b; Engelshoven 1999; Gooptu 2001: chap. 2; Kapadia 1999), though bondage can also backfire (De Neve 1999). As a result, employers sometimes supplement it with other forms of coercion, as, for example, when contractors in the stone quarries on the periphery of Delhi insist that indebted labourers who return on short visits to their villages leave their wives and children behind as surety (Talib 2010: chap. 1).

In the 1970s, the power-loom weaving industry in the south Indian town of Kumarapalayam was booming. Experienced labour was in short supply and the employers started to offer advances (*baki*), intended to bind the workers to them until the debt was discharged. By the time of De Neve's fieldwork in the mid-1990s, a substantial advance, sometimes equivalent to more than six months' wages, was standard. But the strategy failed

dismally. In bonding their workers, the owners bonded themselves. If they sacked an unsatisfactory worker they were liable to lose their advance, and they had little sanction against malingering. As a palliative they introduced piece-rates, subsequently supplemented by increased surveillance and physical intimidation. But bonded workers would nevertheless routinely abandon their employers for jobs in other workshops whose owners were prepared to advance a sum sufficient to pay off the worker's former boss and leave something over for the worker himself. Some would abscond to another town without discharging their debts.

As De Neve's employers discovered, work attendance and work performance are different things. Performance is influenced by many factors, including the conditions of work, the customary norms of the shop floor, peer pressure, the authority and respect that workers concede to their foreman and line manager, and how they feel at the time. In order to extract maximum profit, capital is constrained to control the labour process ever more closely. The evolution of industrial work regimes, Braverman (1974) argues, is above all the evolution of tighter systems of control.⁸ In its earlier phases, this involved bringing workers together under a single roof and for set hours each day, closer supervision to ensure diligent application, and setting minimum production targets. But this had limits, as F.W. Taylor saw. He was the founder of the 'scientific management' movement, which began to attract serious notice in the 1890s (Braverman 1974: chap. 4). The problem, as Taylor identified it, was that workers knew too much, about how long it took to perform a given task, about short-cuts, about how to be appear to be working when they were 'soldiering' (marking time). The solution was to break down jobs into smaller and smaller tasks with standardised stopwatch times. This would allow capital to control the intensity of labour by instituting a quota and bonus system, and ultimately assembly lines run at a pace determined by management. It also allowed capital to replace skilled workers with relatively inexpensive unskilled ones. The result was a cheapening of labour, its progressive de-skilling, and a growing split between the conceptualisation and planning of work (a function of management) and its mindless execution.

The apotheosis of Taylorist principles is the moving assembly line, which Ford introduced first at their Detroit Highland Park plant in January 1914 (see Beynon 1973: chap. 1; Braverman 1974: 147f.; Miller 1992: pt 1). In three months, the assembly time for the Model T was one-tenth of what it had been. Previously the company had had an annual labour turnover so great that at any one time most workers were new at their job. That cost them dear. To stem this haemorrhage of labour while enforcing higher productivity standards, Ford cut working hours and doubled the wage to \$5 a day. In reality, the base daily wage remained at \$2.50, the rest

being paid as part of a profit-sharing bonus to workers who showed themselves 'worthy' of it by demonstrating thrift, sobriety, proper morals and good work habits. Company investigators would routinely visit workers' homes, check their bank books, monitor their standards of cleanliness, and look for evidence of alcohol abuse, smoking and sinful sexual liaisons. Those found wanting were put back on probation (on \$2.50 per day), and eventually fired. The results were immediate and dramatic. In 1915, labour turnover fell from 370 per cent to 16 per cent; productivity rose by 50 per cent. However, the new regime soon met with overt resistance in the form of strikes, and covert resistance in the form of turpitude, defiance, disobedience and sabotage.

In response to such recalcitrance, management's reflex action is to increase its control and supervision of the workforce. Indeed, Ford's Sociology Department rapidly evolved from a supposed welfare department into a spying and enforcement agency staffed by boxers and with underworld connections. It becomes a vicious circle: shirking, defiance and sabotage resulting in stricter surveillance, which in turn exacerbates the original problem. The workers react, and management react to their reactions. Taylorist principles sometimes proved harder to implement than Braverman implied.

Unskilled workers are, however, easier to replace and therefore more vulnerable, which is why, as Beynon (1973: chap. 6) shows, management ultimately retained the whip hand in Ford's British plants in the face of worker recalcitrance and union assertiveness. Employer interest in de-skilling has sometimes been a response to union militancy and has sometimes provoked it (Burawoy 1979a). But there are technical constraints on de-skilling some kinds of work (like the repair jobs in the San Francisco shipyards described by Blum 2000). Assembly-line systems are generally only feasible for mass production involving long production runs, and only make sense where labour, especially skilled labour, is relatively expensive in relation to capital. In many industrialising countries, even highly skilled workers are poorly paid, so capital's stake in de-skilling is diminished. Moreover, a significant proportion of the impoverished rural migrant workforce have no relevant skills to lose, and the application of Taylorist methods has rather been associated with the attempt to inculcate them (for example, on the Ghanaian gold mines, see Crisp 1983).

In much of the Western world, the defiance generated by Taylorist methods has forced capital to introduce a less direct and transparent disciplinary regime that allows labour some autonomy. Though often deeply resented, piece-rate systems supposedly establish a direct relationship between effort and rewards, even if, as Haraszti's (1977) account of a Hungarian factory in the pre-*perestroika* era vividly brings out, the only

way to make the target quota is by 'looting', by taking unofficial shortcuts that compromise quality. At least that offers the minimal satisfaction of beating the system. In other instances, however, it is clear that workers positively prefer piece-rates because they allow them some latitude to pace their own work (Prentice forthcoming; Talib 2010: chap. 3).

In his classic study of a machine shop in Chicago in the mid-1970s, Burawoy (1979b) describes how workers managed to wrest a good deal of surreptitious control over the intensity of their labour and subvert the directives of higher management. It was this latitude, he argues, that provided the basis for their consent. Crucial to it was the shop-floor culture of 'making out', producing something over the quota set for the shift, and so earn a bonus. 'Making out' was an almost obsessive preoccupation, and workers who ran similar machines would sit together at lunch to discuss how they had done that morning and what their prospects were for the rest of the day. But it is not monetary incentives that explain why workers play the game with such single-mindedness; the jobs they prefer are not necessarily the most remunerative ones. The key to their consent is, rather, their commitment to the game itself:

The rewards of making out are defined in terms of the factors immediately relevant to the labor process – reduction of fatigue, passing time, relieving boredom, and so on – and factors that emerge from the labor process – the social and psychological rewards of making out on a tough job as well as the social stigma and psychological frustration attached to failing on a gravy job. (Burawoy 1979b: 85)

As a machine operator himself, Burawoy describes how he too was sucked into the game, intensified his labour and thereby co-operated with management in the production of greater surplus value. 'Consent', he argues, 'is produced at the point of production'. 'Variations in the character and consciousness that workers bring with them to the workplace explain little about the variations in the activities that take place on the shop floor' (1979b: xii, 202).

Most anthropologists, trained in a discipline that insists on the links between different aspects of social life, would probably be suspicious of this claim. It is doubtful that it would have convinced Henry Ford or the many other industrial employers who have judged it necessary to control the domestic lives and leisure of their workers, and so ridden roughshod over the separation between 'work' and 'life' that the Industrial Revolution supposedly instituted in the West (see, for example, Dore 1973; Gill 2000; Parry 2001; Rofel 1999). Company towns have seldom been simply dormitories. A job in one, as Carlson (2003: 98) wryly observes, 'was a way of life – the boss's way'. The motives for building them have been various,

but the most important have been a desire to reduce labour turnover and curb union militancy (Crawford 1995: 7).

This lack of any clear separation between 'work' and 'life' was crucial to what Walder (1986), basing himself principally on Chinese materials from the period prior to the mid-1980s, identified as a *generically* communist pattern of authority in industrial relations. Large state enterprises provided their workers not only with privileged employment but also with their only access to much welfare, to medical treatment, schools and housing as well as to credit, residency permits, permission to travel, or to get married or divorced. In such circumstances it is hard to suppose that consent is (exclusively or even predominantly) produced at the point of production. As Kotkin (1994) has emphasised for the Soviet Union of the 1930s, the enormous importance of the work record as an index of the social and moral worth of the individual was quite as crucial to his or her consent as was either coercion or the way in which relations in production were organised.

Nor does Burawoy's proposition about the irrelevance of the consciousness that workers bring with them from outside seem consistent with Fernandes's (1997: 119f.) discussion of the way in which neighbourhood conflicts are fought out on the shop floor of a Calcutta jute mill. Equally, conflict within the workplace may be mitigated by social bonds extraneous to it. That, at least, is what is suggested by Engelshoven's (1999) study of diamond ateliers in Surat, in the Indian state of Gujarat. Living and working conditions are harsh, and the industry has a reputation for physical violence. However, owners and workers share a common identity as members of a single, upwardly-mobile caste; workers credit the owners with that rise, and dream of being like them one day. The result is consent. Elsewhere, the bonds of kinship or of localist loyalty are critical to the way in which the workforce is controlled and compliance ensured (well-documented for China by Lee 1998; Pun 2005), though sometimes employers invoke them to little effect (for example, De Neve 2005: chap. 7).

Burawoy's discussion of the way in which shop-floor management is forced by the practicalities to collude with workers in the game of making out – often in opposition to boardroom directives – does, however, ring true in the gargantuan public-sector Bhilai Steel Plant in central India. Line managers there have little coercive power, the working environment can be extraordinarily harsh and rates of absenteeism are high. Even though manning levels are generous, managers often have to ask workers to do jobs that are properly done by somebody in a superior grade, or to work beyond customary norms. Worker compliance is bought by middle-management acquiescence in the informal duty rosters that workers operate among themselves, and by the system of 'see offs' (days when the

worker will be marked present when in fact he is not). Workers work in exchange for their ability to leave (or perhaps never appear) when their labour is not really required (Parry 1999).

Sometimes senior management seek to prevent such collusion by exploiting ethnic divisions, in the case of the Trinidad firm studied by Yelvington (1995: 24) by exploiting the distance and distrust between the White and East Indian male supervisory staff and the female, predominantly Black workforce. Similarly, some Thai factories employ only Indian security guards (Parry 2003) and Malaysian electronics factories use Indian and Chinese supervisors (Ong 1987). In this last case, ethnic 'otherness' contributes to the sense of oppression under the male gaze from which, Ong argues, the young, unmarried, Malay female labour force suffers.

Ong's account focuses on the spirit possession which afflicts this workforce and may result in insubordinate behaviour by 'spirits' towards their victims' supervisors. One large-scale incident in an American-owned factory in 1978 involved 120 operators whose assembly jobs required the use of microscopes, in the lenses of which spirits are sometimes seen. The factory had to shut down for three days while a *bomoh* (exorcist) was called in to sacrifice a goat. More generally, the demons lurk in the lavatories; and the danger is attributed to the filth of the toilets and septic tank. 'What', asks Ong (1987: 141), 'do episodic spirit visitations to factories disclose about the experiences of young peasant women assembling microchips?'. Are they 'a critique of capitalist relations' (in the manner of Taussig), or 'cultural protests against acts of de-humanisation'?

In answer to these questions, Ong invokes the easygoing rhythms of 'traditional' village life and the task-oriented nature of peasant production in which young unmarried women go largely unsupervised. They are, however, subject to parental authority at home, though it is clear that the earnings of factory daughters have changed the balance of power within the household. Wages are withheld from fathers who remarry, brothers who refuse to work are criticised sharply and younger siblings come to rely on them for cash handouts, while the young women themselves become more brazen about boyfriends and increasingly insist on selecting their own spouse. Within the *family* context, then, factory employment is emancipatory.

However, that liberation is limited and Ong suggests that these workers develop deep anxieties about their sexual reputations that are exacerbated by an increasingly strident public discourse about proper Muslim womanhood. It is, moreover, bought at the cost of a new, more sinister and far-reaching oppression in a world of work that is quite unlike anything in *kampung* life. At the bottom of a rigid hierarchy, they are required to perform mindless repetitive tasks in a production process of which they

have little understanding; and are subject to an inflexible time discipline and the constant surveillance of male supervisors who might harass them sexually and spy on them in the toilets, and who are deeply suspect ethnic 'aliens'. All this engenders resistance in the form of minor acts of sabotage, weeping fits and long absences in the toilets or prayer room, the very places where they are likely to be seized by ghosts. Echoing Nash on the counter-hegemonic potential of non-capitalist imagery, it is these that Ong emphasises. Drawn from 'traditional' Malay cosmology, beliefs about possession are pressed into service as an unconscious mode of resisting factory discipline. Spirit possession episodes are a kind of sublimated protest against the meaninglessness of industrial production and the rigidities of its work routines; against oppressive male supervision and the devaluation of women's labour. They are not, that is, so much part of a class struggle as of a gender struggle: not capitalism, but men and industry, are the root of the problem.

Ong's ethnography might, however, equally support a different interpretation, one that she herself comes close to in a subsequent article (Ong 1988). Rather than being a sublimated protest against male control, it seems just as plausible to suggest that spirit afflictions are a somatisation of the women's uneasy consciences about escaping from proper male authority at home. After all, it is not spirits from Milwaukee or Osaka who attack them, but spirits from their villages, and in Malay culture it is characteristically women who resist their 'proper' roles who get possessed. But if spirit afflictions are really an oblique acknowledgement of the dangers of rejecting male protection and of becoming improper, un-Islamic, women, it is hard to construe them as 'resistance'. And even if that is what they are, they are plainly counterproductive. Malay theory says that women are prone to possession because they are spiritually weak, physically polluted and oversexed. So possession proves their inferiority. Management, moreover, medicalises the problem. The pay *is* lousy and conditions *are* rotten; the workers retaliate, according to Ong, by spirit possession. But management says that this shows they are psychologically ill, and fires workers who are repeatedly possessed on the grounds that it is irresponsible to have crazy people in states of bodily dissociation around potentially dangerous machines. In short, and as Ong's (1988) article recognises, spirit possession lets management off the hook by allowing it to claim that the real problem (objective conditions) is not the 'real' problem, which is female hysteria. If 'resistance', as the *Shorter Oxford English Dictionary* defines it, is 'the opposition offered by one body to the pressure or movement of another', it is hard to discern it here. Capital seems to suffer little friction in its well-oiled quest after profit.

It is certainly striking how many other groups of industrial workers

ignore, or suppress, what we might see as the more objective dangers of their jobs. This is true, not only of workers in the impoverished Third World, where the choice is between silent acquiescence and starvation, but also in some of the most modern industries in the West. Take Zonabend's (1993) study of workers at the nuclear industries located on the Cotentin peninsula in Normandy, particularly the nuclear reprocessing and stock-piling centre at La Hague. The plant prefers to hire the children of existing employees. Working for it is a family business and this discourages awkward questions. The most awkward is the most obvious. Are people safe? Interred beneath the floor of the plant is nuclear waste, the radioactivity of which may take 24,000 years to lose half of its intensity. Many decontamination jobs are done by temporary contract workers. The contracts are subject to competitive tender, encouraging short-cuts that endanger safety. In other jobs, the worker is a mere adjunct to the machine, the work is mindlessly boring and the very real dangers are entirely invisible. Risks are run as an antidote to tedium.

Asked about them, plant workers talk like official publications and in a completely depersonalised way. Alternatively, the danger is recognised, only to be displaced elsewhere: Chernobyl is an endless topic of conversation, the invariable conclusion to which is that 'it couldn't happen here'. At home they do not talk about work at all. Doctors and nurses in the area report that nobody enquires about a possible link between illness and occupation. Those with cancer symptoms refuse to go to the doctor, and once the disease is diagnosed will not sign the papers which will get the illness recognised as an occupational disease. It is a culture of denial that is abetted by the company, whose training course informs new workers that mineral water is 'much more radioactive' and that 'the population of Sweden is far more exposed' (1993: 87). But beneath the surface, anxiety lurks. There are endless rumours about childbirth and fertility: not a foetus is miscarried without somebody attributing it to *le nucléaire*.

So how are worries displaced? Zonabend points to the language and metaphors that are used to talk about nuclear power. The training film shown to new employees relates how, at the dawn of the world, it was radioactive radiation that allowed life to emerge. Complex and dangerous processes are likened to what goes on in a pressure cooker, or to other culinary and feminised imagery. The dangers are trivialised and male workers respond by developing their own metaphors and tricks of language in an attempt to recover a more flattering and masculine self-image.

These include workers' classification of the workforce into two polar types. The first are the *kamikazes*, who scorn danger and take risks and short-cuts; 'real men' who refute popular notions about the endangered virility of the nuclear worker. Their opposite are the *rentiers*, cautious

family types who manage their dose-capital carefully. While *kamikazes* press management for more money, *rentiers* press for greater safety. Crucially, *kamikazes* tend to work in mechanical jobs, where the chief danger is *irradiation*: the 'dose' consists of rays, which suggest warmth and radiance. The image is one of cleanliness, strength and light, like the burn of strong alcohol with which the manly fortify themselves. As the true soldiers of nuclear energy, the *kamikaze* takes his dose like a man, for language and metaphor have transformed radioactivity into male energy and sexual potency. By contrast, the *rentiers* tend to work in chemical parts of the plant, where the danger is *contamination* from radioactive dust particles, a less heroic foe that conjures up the image of filth, pollution and decay. The wife of the worker who has caught a dose refuses to sleep with him; the husband responds by concealing his pollution; the result is mistrustful repression and silence at home. At work, the *rentier* becomes even more cautious and may resort to magic, seeing the instruments worn to *measure* contamination as a *protection* against it. It is through such symbolic stratagems and tricks of language, Zonabend suggests, that people manage to deny the risk and uncertainty that eat at them silently; and it is the opacity and ambiguity that these create that secure their consent.

In other instances, however, workers make their jobs tolerable by exaggerating, rather than denying, their danger, as Vialles (1994) shows in her ethnography of French abattoirs. The slaughter is done on an industrial scale and with meticulous efficiency. It is anonymous, invisible and supposedly humane. The animals are herded into a narrow race with walls on both sides, through which they can only pass in single file. The animal comes to a dead-end; a partition descends behind it; a worker leans over the pen and stuns it with a bolt-pistol that perforates its skull. The comatose animal is then tipped down a ramp and a second worker hoists it up by one leg with a cable attached to an overhead track, and cuts its neck to drain it of blood. All this takes place in a space that is shielded from the view of the other workers who will process the carcass, an assembly-line operation of 10–12 steps that progressively rid it of traces of its individual animality.

The interesting point is the way in which this division of labour allows workers to evade meaning. Even the identity of the slaughterer is muddled. Is it the stunner or the bleeder? It is as if the beast is already dead when it is bled, and the workers themselves are confused. Further down the line, the fragmentation of tasks reduces awareness; and *pace* Braverman, this fragmentation, the de-skilling of labour and the separation between conception and execution, has a rather benign aspect here. The mind-numbing quality of work and the lack of identification with the job are a boon. It is perhaps no coincidence that the first moving industrial production lines were in the Chicago abattoirs.

In the old days, bovines were stunned by being pole-axed, which was dangerous if botched; but with the bolt-pistol and the stunning pen (known as 'the trap') the risk is now minimal. The workers, however, inflate it. In hunting, there is an element of personalised combat between animal and man, and some danger. In the domestic slaughter of animals there is an exchange between farmer and animal, of nurture and care for eventual meat. In the abattoir there is only an anonymous beast and the treachery of the trap. It is bad conscience, then, that prompts workers to try to restore some semblance of fairness and to mitigate that treachery by exaggerating the risks that they run.

The not so nostalgic worker?

There is no denying that industrial jobs are often tedious and physically taxing, and that many of them are performed under conditions that are coercive, exploitative and dangerous. But it is also important to recognise that a factory job is often regarded as infinitely preferable to a job in the informal urban economy or to work on the land. One of the premises from which we started was E.P. Thompson's presumption of a radical difference between industrial work regimes and those characteristic of the pre-modern world. It is now time to acknowledge that, for many neophyte proletarians in many parts of the world, the fields were never so happy nor the mills so dark and satanic.

Nor is it clear that factory work always marks a sharp break with the peasant past. According to Smith (1986), peasants in Japan of the Tokugawa period (before 1868) already had an acute and morally loaded sense of time as something fleeting and precious to be put to good productive use. Peasant agriculture (like Thompson's factory) required a close synchronisation of tasks, and farming manuals laid great stress on the elaborate planning of agricultural operations. Crops had to be carefully matched to the soil types of particular fields, and this required meticulous scheduling to ensure that crucial labour-intensive operations did not overlap. Work was regular throughout the year and there is little evidence of the alternating bouts of intense labour and the long periods of leisure that Thompson emphasises. Although there was plenty of industrial strife in early Japanese factories, by contrast with England at the beginning of the Industrial Revolution very little of it was about the control and management of time. Time discipline did not need to be imposed on a workforce that was not wedded to the 'humane' and 'natural' rhythms of Thompson's pre-industrial work regime.

With Thompson in mind, at the beginning of my own fieldwork in the new steel town of Bhilai, I regularly tried to prod my informants into telling me how oppressive is a life ruled by the clock and the factory siren,

and into indulging their nostalgia for the happy world of the paddy fields (Parry 1999). I was soon disabused. Agricultural labour is now regarded with deep distaste, and even unemployed youngsters resolutely refuse to so much as supervise the work of day labourers in the fields, let alone work in them themselves. As the young see it, peasant agriculture is emblematic of the rustic world of their illiterate fathers, and their elders agree that factory work is light by comparison with back-breaking toil in agriculture. In fact, few jobs in the steel plant could be described as a remorseless grind. Time-keeping is flexible, tasks are intermittent and there is plenty of opportunity to play dice or cards, read a romance, have tea with one's mates or catch up on some sleep. Some jobs, it is true, are remarkably tough, but the amount of the working day which is spent on them is not, rarely more than two or three hours in a shift. The tyranny of the clock is not so oppressive, and workers are able to organise their own informal duty rosters. As Pinney (1999: 105) describes for another industrial complex in central India, it is 'those who do not clock in at the factory that are most concerned with its dreadful consequences'.

According to conventional wisdom, relaxed work regimes of this sort are an aberration of the Indian *public* sector. My experience of a large private-sector engineering firm in Bhilai, however, suggests that the contrast is less marked than is popularly supposed. Although management does its best to impose a regime of incessant productive activity, its success is unspectacular and for many the working day is punctuated by long fallow periods. This has less to do with the 'work culture' of an Indian proletariat still habituated to the rhythms of peasant agriculture, than with the fact that a great deal of industrial production inevitably proceeds in a staccato fashion and continuous work-flows are difficult to sustain (Chandavarkar 1994: 337). That, at least, is the case in the factory's foundry shop. In the machine shop, by contrast, the continuous vigilance of the operator is required (even if that permits chatting with his neighbours), while in the fettling shop work really is a ceaseless grind. The extreme is assembly-line production run on Taylorist principles, and it was on the line in a cigarette factory and a distillery that I encountered regimes that most perfectly exemplify the picture of a working day governed by the remorselessly repetitive demands of the machine. In short, different types of industrial process are associated with different intensities of labour and impose work disciplines of different degrees of rigour (see Blauner 1964). Thompson's stark contrast between work in the fields and work in the factory not only romanticises the former but also relies on an oversimplified homogenisation of what work is like in the latter.

What, then, of Ong's Thompson-esque view of the way in which her informants experience the world of work, the contrast between the con-

tentment of the fields where they share jokes at the expense of absent males and find fulfilment in a task well done, and the interminable factory day with eye glued to a microscope while under the lascivious gaze of its supervisors, and with the dangerous necessity of visiting its demon-infested latrines? Certainly, young factory women in other parts of Southeast Asia suffer differently. In Wolf's (1992) Javanese study, those recruited from rural areas are already well used to self-exploitation in the paddy fields in which poverty forces them to work in defiance of exponentially diminishing returns. And they are used to exploitation, whether that of the old Javanese aristocracy, the Dutch or the Japanese occupying army. Industrial capitalism is just the latest variant on the same old extractive relationship. Nor is there any radical transition from flexible, meaningful, task-oriented agricultural work to the oppressive compulsions of factory labour. A factory job enables them to escape familial surveillance, flirt with young men and exchange experiences with girls from elsewhere. It is better than agricultural labour because they do not have to work in the sun and can keep their skin white; and above all because they can now afford soap. Factory work, as they see it, is the best option open to them and it gives them a new sense of self-worth.⁹ That this is often the case explains a good deal about the consent of such workers in many parts of the newly industrialising world.

Notes

1. Part 1 of Pahl (1988) provides an extremely useful source on, and qualification to, the very broad-brush picture offered here.
2. Important discussions of the impetus behind this decline are provided by Humphries (1988) and McBride (1992); on France, see Scott (1987); for a cautionary critique, see Berg (1988).
3. Subsequent studies also gave little support to the undercommitment thesis. Lambert (1963), in fact, identified one of the most salient problems as *overcommitment*. Workers tended to treat their jobs as their hereditary right, as many supposedly are in the caste-based division of labour in the village (that is, in the so-called *jajmani* system; see Harriss chap. 31, *infra*). Sheth (1968) found no conflict between traditional village ties and factory discipline, and Sharma (1974) reported that urban workers who were union members were more likely to be absentees than rural workers who were not. For useful reviews, see Breman (1999a) and Holmström (1984; chap. 2).
4. The formal sector consists of fairly large-scale, bureaucratically organised, capital-intensive modern factories subject to state regulation, with a workforce that tends to be unionised, relatively highly skilled and well paid. The informal sector consists of small-scale, labour-intensive firms with a workforce that is predominantly casual and weakly unionised, with little security or legal protection. In India, this dichotomy is given legal form in the distinction between the organised and unorganised sectors. A factory which employs 10 or more workers, and which utilises power-driven machinery, belongs to the organised sector and is subject to statutory employment regulation, though there is, of course, lots of evasion.
5. In reality this dualistic picture is greatly oversimplified, since within each of these broad divisions there are several important gradations and since the different kinds of worker are often related by kinship and neighbourhood ties (see Holmström 1984). But this only compounds the analytical (and political) problem of unity.

6. The costs, for example, of socialising the next generation of workers and of supporting those it no longer needs.
7. Cooper's (1992) analysis of the imposition of a new kind of labour regime on the Mombasa docks in colonial Kenya argues that management pursued labour policies intended to undercut the semi-autonomy of workers with smallholdings, and so produce a more compliant labour force. Management sought to de-casualise dock labour and ensure that it became fully committed to the *urban* economy. The calculation was that dockers would only fear the sack when their livelihoods exclusively depended on well-paid, relatively secure employment. The motivation, Cooper emphasises, had little to do with calculations about economic efficiency, and a great deal to do with ideas about indiscipline and political subversion, and about the kind of work regime proper to a modern industrial labour force. The consequence was the creation of an enclave of secure, highly paid and disciplined workers cut off from the rest of the labour force. The result, in other words, was the kind of dualism between an aristocracy of labour and other segments of the working class that is characteristic of so many Third-World economies.
8. Compare Marx, who traced an evolution in nineteenth-century capitalism from the *formal* to the *real* subsumption of labour to capital; that is, from a situation in which work organisation remained largely in the hands of the workers themselves to one in which it was ever more tightly supervised, centralised and controlled.
9. The sense of self-worth is crucial to Cross's analysis (2009) of the reasons why educated young men who work in insecure and poorly paid jobs in the factories of a South Indian Special Economic Zone (SEZ) feel obliged to put up with them. Although they could earn just as much in agriculture or fishing, both materially and emotionally they have invested heavily in education in the expectation of obtaining secure, remunerative and prestigious industrial employment in one of the public-sector enterprises of the area. Recruitment to such jobs, however, has now all but dried up, and their *amour propre* as persons of education makes it impossible for them to contemplate working in the fields or on the boats. *Faute de mieux* they must grudgingly consent to what they acknowledge to be dead-end jobs in the SEZ.

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10 Money in twentieth-century anthropology

Keith Hart

Money was a bone of contention between Marcel Mauss and Bronislaw Malinowski, two of the founders of modern economic anthropology in the 1920s (see Isaac chap. 1, *supra*). It was a cornerstone of the ‘substantivist’ paradigm developed by Karl Polanyi and his followers, especially Paul Bohannan, in the 1950s, and it has attracted growing attention in the era of one-world capitalism that emerged in the 1980s. In this chapter, I review these three periods, with a view to establishing the relevance of Mauss and Polanyi for the study of money by economic anthropologists today. Both took their lead from economists in focusing on mechanisms of circulation, while vigorously opposing their assumptions and main conclusions.

Mauss’s famous essay *The gift* (1990 [1925]) has been interpreted too narrowly as a contribution to the theory of exchange, in which guise it was later taken up in an Anglophone discourse of ‘gifts and commodities’ as exemplary of the great divide between the West and the rest (Carrier 1994; Yan chap. 16, *infra*). In fact, Mauss’s aim was to dissolve the contrast between pure gifts and selfish contracts in order to illuminate universal principles of obligation and social integration. Polanyi’s *oeuvre* emphasises a moment in time, the Industrial Revolution, to set up a similar ‘great divide’ theory. This led him and his followers to abandon the study of modern economies to the economists. Polanyi’s central concepts of reciprocity and redistribution designate general ‘modes of integration’ of economy in society that do not necessarily weaken as the principle of the market becomes more prominent. The crisis of neoliberal capitalism in the first decade of the twenty-first century has lent renewed relevance to Polanyi’s (2001 [1944]) classical analysis in *The great transformation* of the dangers of overextending the principle of market integration.

I take from both Mauss and Polanyi a concern with how society is everywhere founded on a combination of economic principles that are distributed widely in geography and history, but may be variably combined to give a new impetus and direction to our common affairs (Hart et al. 2010). Both men took a close interest in contemporary social experiments carried out in the name of Marxism, which they felt distorted that tradition’s promise of a fully emancipated human economy. Like Marx, they rejected the utopian project of reducing society to capitalist markets. They saw the economy as being pulled in two directions at once: inwards to secure local

guarantees of a community's rights and interests, and outwards to make good deficiencies of local supply by engaging more inclusively with others through the medium of money and markets. Each developed principles of great generality with which to illuminate our understanding of everyday life, without ever taking up ethnography as a personal vocation; and in doing so they made intellectual bridges between history, ethnography and critique. Both addressed the great political questions of their day, questions that have not gone away and need to be reviewed in the light of our own moment of history.

The 1920s

Bronislaw Malinowski's *Argonauts of the Western Pacific* (1922) is devoted to exchange and opens with his manifesto for the fieldwork method. He laid down the gauntlet to the economists by insisting in an article published by J.M. Keynes in the *Economic Journal* that the Trobrianders' propensity to transfer goods as gifts refuted the idea of 'economic man' as a human universal (Malinowski 1921). *Argonauts* was intended to demonstrate that a complex system of inter-island trade could be organised without benefit of markets, money or states and on the basis of generosity rather than greed. The circulation of ceremonial *kula* objects between exchange partners living on different islands was also the occasion for much 'haggling' during the barter of utilitarian objects. Mauss was greatly enthused by Malinowski's confirmation that the *potlatch* of America's Northwest Coast flourished in Melanesia, but he held that money and markets were human universals, whereas Malinowski went out of his way to oppose the *kula* to both. The impersonal economic forms found in capitalist societies were recent inventions, according to Mauss. His attack on economic individualism emphasised the personal, social and spiritual dimensions of exchange in all societies, including our own. His anthropology was wedded to an explicit political programme, but the essay has since given rise to quite divergent interpretations.

In his first and most influential book, *The division of labor in society* (1964 [1893]), Émile Durkheim sought to establish the social foundations of modern economies. The idea of economic progress through specialisation was at the core of the British economics founded by Adam Smith (1776). A century later economic individualism was the cornerstone of evolutionary theory and Herbert Spencer's Social Darwinism was for a time the influential ideology of a triumphant Western bourgeoisie. Durkheim modified this optimistic teleology by showing that the division of labour was a dialectical process of separation and integration, whereby society became stronger *and* the scope for individual action was enhanced. The British emphasis on the making of individual contracts in markets

obscured the social glue of 'the non-contractual element in the contract' that made the economy possible, that combination of law, state, customs, morality and shared history which it was the sociologist's task to make more visible. The individual is the result of social development and not, as in the British origin myth, its source.

The gift is in a direct line of descent from Durkheim's book, being focused explicitly on that non-contractual element of the contract (Hart 2007a). Mauss summarily eliminates the two utilitarian ideologies that purport to account for the evolution of contracts: 'natural economy', Smith's idea that individual barter was aboriginal; and the notion that primitive communities were altruistic, giving way eventually to our own selfish, but more efficient, individualism. Against the contemporary move to replace markets with communist states, he insists that the complex interplay between individual freedom and social obligation is synonymous with the human condition and that markets and money are universal, though not in their current, impersonal form.

Mauss's key term for the range of archaic contracts he investigated, primarily among the ancient Indo-Europeans, cannot be translated into English and is something of a feudal relic in French. *Prestation* is a service performed out of obligation, something akin to 'community service' as an alternative to imprisonment. According to Mauss, the earliest forms of exchange took place between entire social groups and involved the whole range of things people can do for each other, a stage he called *système des prestations totales*. His main interest, however, was in a form that probably evolved from this, named after the Northwest Coast example as *potlatch*. These forms of gift exchange involved aggressive competition between individual leaders of groups. Mauss's guiding question was: 'What rule of legality and self-interest, in societies of a backward or archaic type, compels the gift that has been received to be obligatorily reciprocated? What power resides in the object given that causes its recipient to pay it back?' (1990 [1925]: 4; he rarely referred to this process of giving and making a return as 'reciprocity'). His answer, broadly speaking, was that human beings everywhere find the personal character of the gift compelling and are especially susceptible to its evocation of the most diffuse social and spiritual ties.

Mauss's chief conclusion was that the attempt to create a free market for private contracts is utopian and just as unrealisable as its antithesis, a collective based solely on altruism. Human institutions everywhere are founded on the unity of individual and society, freedom and obligation, self-interest and concern for others. Modern capitalism and economics rest on an unsustainable attachment to one of these poles and it will take a social revolution to restore a humane balance. If we were not blinded

by ideology, we would recognise that the system of *prestations* survives in our societies, in weddings and at Christmas, in friendly societies and more bureaucratic forms of insurance, even in wage contracts and the welfare state. The economic movement from below that he advocated in his political journalism – professional associations, co-operatives, mutual insurance (Fournier 2006 [1994]) – is a secular version of what can be found in the religions of archaic societies, as well as in the central phenomena described here. These are all ‘total social facts’, in the sense that they bring into play the whole of society and all its institutions: legal, economic, religious and aesthetic:

It is by considering the whole entity that we could perceive what is essential, the way everything moves, the living aspect, the fleeting moment when society, or men, become sentimentally aware of themselves and of their situation in relation to others . . . In our opinion, nothing is more urgent or more fruitful than this study of total social facts. (Mauss 1990 [1925]: 102)

When Malinowski produced his account of native adventurers in the Western Pacific, latter-day heirs to the archaic tradition of noble heroes, his story found a receptive audience. The *kula* ring provided an allegory of the world economy. Here was a civilisation spread across many small islands, each incapable of providing a decent livelihood by itself, that relied on an international trade mediated by the exchange of precious ornaments. There were no states, money or capitalists and, instead of buying cheap and selling dear, the trade was sustained by an ethic of generosity. ‘Economic man’ was not only absent, but revealed as a shabby and narrow-minded successor to a world the West had lost. Mauss was excited by all this, but he felt that Malinowski had gone too far. The latter (Malinowski 1921) was adamant that the Trobriand *kula* valuables were *not* money in that they did not function as a medium of exchange and standard of value. But, in a long footnote, Mauss (1990 [1925]: 127) held out for a broader conception:

On this reasoning . . . there has only been money when precious things . . . have been really made into currency – namely have been inscribed and impersonalized, and detached from any relationship with any legal entity, whether collective or individual, other than the state that mints them . . . One only defines in this way a second type of money – our own.

He suggested that primitive valuables are like money in that they ‘have purchasing power and this power has a figure set on it’ (1990 [1925]: 127). He also took Malinowski to task for reproducing the bourgeois opposition between commercial self-interest and the free gift, a dichotomy that many anthropologists subsequently attributed to Mauss himself.

Mauss's famous essay should be read along with a series of articles he wrote for his party's newspaper, *Populaire*, on the exchange-rate crisis of 1922–24 (Mauss 1997; see Hart 2010). The stability of the franc was a matter of public concern, since it was taken to be a measure of France's international standing, and political panic when the franc dropped was commonplace. When discussing what we would call 'the markets', Mauss adopted the tone of an expert player. He concluded that panic in the markets, not fiduciary inflation, was the cause of exchange-rate depreciation. Storms were brewing from every direction: 'These are human phenomena at work: collective psychology, imponderables, beliefs, credulity, confidence, all swirling about' (29 February, 1924; Mauss 1997: 601). An unpublished paper, 'A means of overhauling society: the manipulation of currencies', provides a link between these reflections on national political economy and *The gift* (Fournier 2006 [1994]: 212, 390 n105). Here Mauss claims that the great economic revolutions are 'monetary in nature' and that the manipulation of currencies and credit could be a 'method of social revolution . . . without pain or suffering'. His aim was to give an economic content to juridical socialism:

It suffices to create new monetary methods within the firmest, the narrowest bounds of prudence. It will then suffice to manage them with the most cautious rules of economics to make them bear fruit among the new entitled beneficiaries. And that is revolution. In this way the common people of different nations would be allowed to know how they can have control over themselves – without the use of words, formulas or myths. (Mauss in Fournier 2006 [1994]: 212)

Mauss argued for a pragmatic understanding of the human economy that would be of use to people in their daily lives. Nearly a century and many more financial crises later, this argument is still a compelling one for economic anthropologists.

The 1950s

In his seminal essay 'The economy as instituted process', Karl Polanyi (1957) argued that the 'formal' and 'substantive' meanings of 'economic' have been conflated. The first refers to a means–end relationship, the mental process of economising, whereas the second is concerned with general provisioning of material wants in society. The conceptual opposition between 'form' and 'substance' was common in the nineteenth century, especially in Germany, and it entered economic discourse through scholars such as Carl Menger and Max Weber. A formalist approach emphasises the regular operation of ideas, in this case the universal claims of neoclassical economics, while a substantivist approach gives priority to the empirical content of material circumstances and disputes that this diversity can be adequately grasped through just one set of concepts.

Both formalists and substantivists recognised the importance of markets for economic coordination, but for Polanyi the market principle was not the main 'mode of integration' in world economic history. He had already argued in *The great transformation* (2001 [1944]) that the principles of reciprocity, redistribution and householding were of greater significance than the market in pre-industrial societies; householding disappeared from the set in his later writing (Gregory 2009). Reciprocity was a symmetrical form of exchange between persons or groups of equal standing, as in the Trobriand *kula*. Redistribution reflected a principle of centrality, whereby resources were pooled and handed out through a hierarchy, as in the *pottatch*. These forms of integration could co-exist, but there was an implicit evolutionary sequence. Reciprocity was dominant in 'primitive' egalitarian societies with simple technologies, whereas redistribution usually presupposed the possibility of storing a surplus and some degree of social stratification. It was exemplified in the archaic societies of the Ancient Mediterranean. As for the market, Polanyi consistently played down its significance before the dramatic changes that occurred in Europe in the nineteenth century. He preferred Aristotle's emphasis on the pursuit of well-being through a self-sufficient *oikos* to Adam Smith's presumed natural human propensity to 'truck and barter' and the subsequent reduction of all value to a utilitarian calculus. Markets were present in primitive and archaic societies, but they did not yet pose a threat to the integration of the economy in the wider social system.

In Polanyi's philosophy of history, the rupture created by industrialisation, and above all the creation of a market for wage labour in Victorian England, led to the 'disembedding' of the economy (Hann and Hart 2009). This 'utopian' elevation of the market principle to the dominant form of economic integration was bound to fail. Society could not tolerate the buying and selling of nature, humanity and society itself in the form of the 'fictitious commodities' of land, labour and money; so, it sought to defend itself. Polanyi identified a 'double movement': the economics of *laissez-faire* on the one hand, and on the other social resistance to it, which in Britain in the nineteenth century ranged from the Chartist movement and trade unions to national protectionism. The resulting dynamic led inevitably to the crises and world wars of the twentieth century. The market mentality responsible for these horrors was now 'obsolete', Polanyi claimed; and indeed, the New Deal and the consolidation of welfare states in Europe helped to usher in a new era of social democracy that was supposed to put an end to the market illusion forever.

Polanyi's main venture into anthropologists' territory was a historical study, *Dahomey and the slave trade* (1966), and Africa was a principal location for his main followers. George Dalton was originally trained in

economics, while Paul Bohannan had studied anthropology with Melville J. Herskovits. Together they edited the landmark collection *Markets in Africa* (Bohannan and Dalton 1962), in which they showed that the societies of non-industrial Africa knew many kinds of marketplaces, which often had major social, political and even religious significance, but that these remained 'peripheral' in comparison with other forms of integration. The rise of the modern market principle, brought about by things such as new patterns of cash cropping for export, was bound to undermine these traditional markets and the societies they served.

Bohannan (with Laura Bohannan; 1968) was responsible for the most notable substantivist ethnography, on the Tiv of Nigeria. In this work, they drew on indigenous cultural categories for an understanding of Tiv economy, while introducing Polanyi's threefold typology of reciprocity, redistribution and market exchange in order to enable cross-cultural comparison. In his Dahomey study, Polanyi (1966) insisted on the difference between 'general-purpose money' (our own) and the 'special-purpose monies' that he claimed enjoyed wide circulation in the non-industrial world. Bohannan (1955, 1959) developed this idea to argue for the existence of separate 'spheres of exchange' among the Tiv. Subsistence items, luxuries and goods expressing the highest social values circulated in separate compartments, since they were incommensurate. The introduction of Western money by colonialism was a disaster, since it broke down barriers to exchange between the spheres. This story has passed into anthropological folklore as a staple of what every student learns, even though it has been attacked as factually wrong by historians and found theoretically naive and misleading by a wide variety of anthropologists. It is therefore worth looking more carefully at the substantivist position on money.

As I have noted, Polanyi (2001 [1944]: 72) listed money as one of the three fictitious commodities: 'Actual money is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance'. Here he comes close to suggesting that a free market in money entails buying and selling society itself. Consistent with this approach, he (2001 [1944]: 58) inverts the liberal myth of money's origin in barter:

The logic of the case is, indeed, almost the opposite of that underlying the classical doctrine. The orthodox teaching started from the individual's propensity to barter; deduced from it the necessity of local markets, as well as of division of labour; and inferred, finally, the necessity of trade, eventually of foreign trade, including even long-distance trade. In the light of our present knowledge, we should almost reverse the sequence of the argument: the true starting point is long-distance trade, a result of the geographical location of goods and of the 'division of labour' given by location. Long-distance trade often engenders

markets, an institution which involves acts of barter, and, if money is used, of buying and selling, thus, eventually, but by no means necessarily, offering to some individuals an occasion to indulge in their alleged propensity for bargaining and haggling.

Money and markets thus have their origin in the effort to extend society beyond its local core. Polanyi believed that money, like the sovereign states to which it was closely related, was often introduced from outside, and this was what made the institutional attempt to separate economy from politics and naturalise the market as something *internal* to society so subversive.

Polanyi distinguished between 'token' and 'commodity' forms of money (Hart 1986, 2009). Token money was designed to facilitate domestic trade, commodity money foreign trade; but the two systems often came into conflict. The tension between the internal and external dimensions of economy often led to serious disorganisation of business. Money was thus

not a commodity, it was purchasing power; far from having utility itself, it was merely a counter embodying a quantified claim to things that could be purchased. Clearly, a society in which distribution depended on possession of such tokens of purchasing power was a construction entirely different from market economy. (Polanyi 2001 [1944]: 196)

The final collapse of the international gold standard in 1931 was one consequence of the ruinous attempt to separate commodity and token forms of money. This analysis underpinned his explanation for the collapse of international trade in the Great Depression and its ruinous dénouement in world war.

When he returned to the subject after the war, his polemical intensity had been replaced by a concern to launch the comparative study of pre-industrial economies by anthropologists and historians. In 'Money objects and money uses' (1977: 97–121), Polanyi's main point is that only national monopoly currencies combined the functions of payment, standard, store and exchange, and that this gave them the capacity to sustain the set through a limited number of 'all-purpose' symbols. Primitive and archaic forms attach the separate functions to different symbolic objects which should, therefore, be considered to be special-purpose monies.

The spheres of exchange identified by Bohannan were arranged in a hierarchy; and like could normally only be exchanged for like within each sphere. The lowest consisted of subsistence items such as foodstuffs and household goods traded in small amounts at local markets. Then came a limited range of prestige goods linked to long-distance trade and largely controlled by Tiv elders: cloth, cattle, slaves and copper bars, the last

sometimes serving as a standard of value and means of exchange within this sphere. The highest category was rights in persons, above all women, ideally sisters, exchanged in marriage between male-dominated kin groups. The norm of exchanging only within each sphere was sometimes breached. Conversion upward was highly desirable, while its opposite was disgraceful. The absence of general-purpose money made both difficult. Subsistence goods are high in bulk and low in value; they do not transport easily and their storage is problematic. Prestige goods are the opposite on all counts. How many peas would it take to buy a slave? After the arrival of money, people could sell anything in small amounts, accumulate the money, buy prestige goods and enter the marriage circuit on their own terms, regardless of the elders. It is as if the technical properties of modern money alone were sufficient to undermine a way of life.

What if we apply the concept of spheres of exchange to Western societies? As Alfred Marshall (1890) wrote in the book that launched modern economics, it is not uncommon for modern consumers to rank commodities according to a scale of cultural values. Other things being equal, we would prefer not to have to sell expensive consumer durables in order to pay the grocery bills. And we would like to acquire the symbols of elite status, such as a first-rate education. If you ask British people how many toilet rolls a BMW is worth or how many oranges can buy an Eton education, they would think you were crazy. Yet all these things have been bought with money for longer than we can remember. So the universal exchangeability introduced by modern money is compatible with cultural values denying that all goods are commensurate. The gatekeepers of Britain's ancient universities insist that access to what they portray as an aristocracy of intelligence cannot be bought.

This gives us a clue to the logic of spheres of exchange. Ruling elites everywhere claim that you cannot buy class. Money and secular power are supposed to be subordinate to inherited position and spiritual leadership. In practice, we know that money and power have long secured entry into elites. One class above all others still resists this knowledge, academic intellectuals. And so we line up with Tiv elders in bemoaning the corrosive power of modern money and vainly insist that traditional culture should prevail.

The 1980s and after

If graduates of the elite universities tended to choose banking as a career during the decades of the credit boom, the anthropology of money too has enjoyed a revival of late. We have become less willing to inhabit one-half of the divide between modern and traditional economies. Not coincidentally, perhaps, anthropologists' traditional aversion to money

has shifted towards recognising some of its positive features for ordinary people. Anthropologists and sociologists have long rejected the impersonal approach to money and markets offered by mainstream economics. Normal people refuse to treat the cash in their possession as an undifferentiated thing, choosing rather to ' earmark ' it, reserving some for food bills, some as holiday savings and so on (Zelizer 1994). This is particularly the case in areas that remain invisible to economists, especially domestic life. People everywhere personalise money, bending it to their own purposes through a variety of social instruments. This was the message of Jonathan Parry and Maurice Bloch's influential *Money and the morality of exchange* (1989).

The contributors to this collection of small-scale case studies of non-Western societies share the view that indigenous societies take modern money in their stride rather than being subject to its impersonal logic. The underlying theory is familiar from Durkheim (1965 [1912]). There are two circuits of social life: one, the everyday, is short term, individuated and materialistic; the other, the social, is long term, collective and idealised, even spiritual. Market transactions fall into the first category, but all societies seek to subordinate them to the conditions of their own reproduction, the second category. For some reason, which the contributors to Parry and Bloch's collection do not investigate, money has acquired in Western economies a social force all of its own, whereas the rest of the world retains the ability to keep it in its place. So here too we have a hierarchy of value, where modern money comes second to the institutions that secure society's continuity. When money and markets are understood exclusively through impersonal and asocial models, awareness of this neglected dimension is surely significant. But the economy exists at more inclusive levels than the person, the family or local groups, and this would not be possible without the impersonality of money and markets. Money, much as Durkheim (1965 [1912]) argued for religion, is the principal means for us all to bridge the gap between everyday personal experience and a society whose wider reaches are impersonal (Hart 2011).

Money, as a token of society, must be impersonal in order to connect individuals to the universe of relations to which they belong. But people make everything personal, including their relations with society (Hart 2007b). This two-sided relationship is universal, but its incidence is highly variable. That is why money must be central to any attempt to humanise society. It is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful.

Malinowski set a trend for anthropologists to dispute economic universals in polarised terms, juxtaposing exotic facts and Western folk theories,

without acknowledging the influence of contemporary history on their own ideas. Hart (1986), echoing Polanyi (2001 [1944]), identified two strands of Western monetary theory: money is a *token* of authority issued by states or it is a *commodity* made by markets. He saw the coin as a metaphor for the two sides of money. One carries the virtual authority of the state; it is a *token* of society, the money of account (*heads*). The other says that money proper is itself a *commodity*, lending precision to trade; it is a real thing (*tails*). The two sides are related to each other as top to bottom. However, rather than acknowledge the interdependence of top-down and bottom-up social organisation ('heads and tails'), economic policy in the Anglophone countries swings wildly between the two extremes ('heads or tails'):

Anthropologists have to be capable of comparing their exotica with a more profound picture of ideas and realities in the industrial world that sustains us. Conventional economic reasoning fails to enlighten us because it is so unremittingly one-dimensional. The coin has two sides for a good reason – both are indispensable. Money is at the same time an aspect of relations between persons and a thing detached from persons. (Hart 1986: 638)

The dominant view holds that money, especially in the form of precious metals, is just a convenient means of exchange or barter between individuals with private property in what they buy and sell. A minority view argues that the state has always underwritten the issue of money, mainly as a way of guaranteeing payment of taxes. But what if money came from the people instead? The German Romantic tradition holds that money expresses the customs of a nation (*Volk*). Various English liberals too have considered bank money to be an expression of trust within communities, locating value in institutional guarantees for personal management of credit and debt. Anthropologists, in clinging to simplistic notions of Western economic ideas, have failed to learn from complex intellectual traditions that long pre-date our recent entry into this field.

In recent years there has been a deluge of anthropological work on money, including a spate of studies of financial operations. This work aims to humanise the anonymous institutions that govern our lives; and some of it does begin to bridge the gap between readers' everyday experience and the global economy. Jane Guyer's extensive research on money has culminated in *Marginal gains: monetary transactions in Atlantic Africa* (2004). Her study epitomises the course of economic anthropology sketched here. Starting from a foundation of prolonged ethnographic research in Cameroon and Nigeria, she identifies an indigenous commercial civilisation in West and Central Africa that is at least 300 years old. It is based on manipulation of multiple ordinal scales according to status differences.

This distinctive approach to commerce has eluded not only the historians of European mercantilist expansion, but also the ethnographers whose narrow particularism and lack of historical depth made them as ignorant as foreign traders of the regional economic system they were encountering. Guyer rejects Bohannan's discourse of 'spheres of exchange' and has subsequently taken her African discoveries to a wide-ranging analysis of economic institutions in countries such as the United States and Britain, where she has lived.

Money is also a 'memory bank' (Hart 2001), a store allowing individuals to keep track of those exchanges they wish to calculate and, beyond that, a source of economic memory for the community. The modern system of money provides people with a repertoire of instruments to keep track of their exchanges with the world and to calculate the current balance of their worth in the community. In this sense, one of money's chief functions is *remembering*. If the proliferation of personal credit today could be seen as a step towards greater humanism in economy, this also entails increased dependence on impersonal governments and corporations, on impersonal abstraction of the sort associated with computing operations and on impersonal standards and social guarantees for contractual exchange. If persons are to make a comeback in the post-modern economy, it will be less on a face-to-face basis than as bits on a screen that sometimes materialise as living people in the present. We may become less weighed down by money as an objective force, more open to the idea that it is a way of keeping track of complex social networks that we each generate. Then money could take a variety of forms compatible with both personal agency and human interdependence at every level from the local to the global.

It is not enough for economic anthropologists to emphasise the controls that people already impose on money and exchange as part of their personal practice. That is the everyday world most of us know. We also need ways of reaching the parts of the macro-economy that we do not know, if we wish to avert the ruin it could bring down on us. This was what Georg Simmel (1978 [1900]) had in mind when he said that money is the concrete symbol of our human potential to make universal society (Hart 2009).

There has been a spate of work on the anthropology of finance in the last decade or so. The doyen of this field is Bill Maurer, who has investigated Islamic and other variants of contemporary finance (2005), as well as carrying out research on offshore banking and the poor's use of mobile phones for banking purposes in East Africa and elsewhere. Maurer recommends a sceptical, pragmatic approach to money and is, thus, more interested in what people can do with money than what it means to them. Like Jane Guyer, he believes that anthropologists have accepted too easily

the liberal economists' idea of money as a means of exchange rather than as a means of payment.

It has now become almost commonplace for anthropologists to work in financial centres (Maurer chap. 11, *infra*; Ortiz chap. 35, *infra*). Ellen Hertz (1998) was prescient in carrying out field research on the Shanghai stock market. Caitlin Zaloom (2006) focused on how financial traders adjusted to new information technology. Both of these studies, however, are quite traditional in their focus, being concerned with the traders' local practices and point of view. Karen Ho (2009) goes further by linking her ethnography to a broader analysis of political economy. Based on interviews with employees of Goldman Sachs, Morgan Stanley and other great finance houses, *Liquidated* explicitly engages with larger distributional questions, such as those involved in the system of granting bank employees large bonuses. She has used her public platform to argue for bonuses to be linked to corporate productivity and shareholder value in the long term and has advocated the return of something like the Glass-Steagall Act that once separated investment and commercial banking.

The failure of the New York investment bank, Lehman Brothers, in September 2008, triggered a financial collapse whose ramifications are still with us (Hart and Ortiz 2008; see Part VII *infra*). Predictions of the outcome of the ensuing global economic crisis vary widely. What happened next did change a lot, if not everything. Economic growth can now be seen to have been sustained by a regime of cheap consumer credit, especially in the United States; many financial houses exposed themselves to unacceptable levels of risk, particularly in the new market for credit derivatives. These became 'toxic assets', bought by taxpayers at huge cost in order to preserve the banking system as a whole. The leading exporters of manufactures, such as China, Germany and Japan, suffered massive reductions in demand for their products. The economy, which had been understood as an eternally benevolent machine for growth, was suddenly pitch-forked into the turmoil of history. The market was now seen to require massive state intervention if it were to have any chance of surviving. The global shift of economic power from the West to Asia was probably accelerated by these events. It is all rather murky, but even at the best of times the present is like that. Some commentators have suggested a parallel to the abuses of central planning: like the falsification of the figures for cotton production in late socialist Central Asia, the financial bubble created a massive 'virtual economy' (Carrier and Miller 1998). But the state bailouts and consequences for the real economy under neoliberalism have had the opposite effects on income distribution, reinforcing inequalities rather than mitigating them.

Conclusions

Economic anthropology at its best has always been a search for alternatives to capitalism; and in this respect we can do no better than to renew our engagement with the writings of Marcel Mauss and Karl Polanyi. The two authors complement each other in several ways. One of Mauss's key modifications to Durkheim's legacy was to conceive of society as a historical project of humanity whose limits were continuously being extended to become ever more inclusive. The point of *The gift* is that society cannot be taken for granted as a pre-existent form. It must be made and remade, sometimes from scratch. Heroic gift-exchange is designed to push the limits of society outwards. It is 'liberal', as in the 'free market'. The exchange is powered by generosity: self-interested for sure, but not in the way associated with *Homo economicus*. Malinowski's account of the *kula* ring is the contested origin for Mauss's discussion. 'The whole intertribal *kula* is merely the extreme case . . . of a more general system. This takes the tribe itself in its entirety out of the narrow sphere of its physical boundaries and even of its interests and rights' (Mauss 1990 [1925]: 36). No society is ever economically self-sufficient, least of all these Melanesian islands. So, to the need for establishing local limits on social action must always be added the means of extending a community's reach abroad. This is why markets and money in some form are universal, and why any attempt to abolish them must end in catastrophe.

Polanyi drew attention to how economic institutions organise and are in turn organised by a plurality of distribution mechanisms that, in the modern world, affect the lives of millions of people who participate in them while without being granted any measure of control over them. This led him to highlight the inequality created by these institutions, as they swing between the poles of market and state, of society's external and internal relations. In the current crisis, the immediate reaction is to turn to a variety of government institutions, flipping the coin from tails to heads, as it were, instead of insisting that the states and the markets have to work together in less one-sided ways than before. To this end, Polanyi's call for a return to social solidarity, drawing especially on the voluntary reciprocity of associations, reminds us of the need to mobilise ordinary people to contribute their energies to the renewal of the human economy. It is not enough to rely on impersonal states and markets.

Polanyi and Mauss made sure that their more abstract understandings of political economy were grounded in the everyday lives of concrete individuals, thereby lending to field research the power of general ideas. We have seen that there has been a sharp increase in anthropological research on capitalism. Anthropologists have done a good job of showing that 'free labour' is in fact always embedded in many kinds of identity outside the

workplace, and that even the most impersonal financial markets are in fact mediated by particular groups of people, some of them greedy, but not necessarily any more so than other people. However, we have largely left the global effects of an unequal distribution of money, the class conflict between rich and poor everywhere, to other branches of the academic division of labour, especially to the economists.

The missing link between the everyday and the world at large may be found in the work of these two pioneers. An unblinking focus on distribution at every level from the global to the local reveals how the social consequences of political economy and the way it is understood by those who make it are all part of one and the same social process. The current crisis renders this insight particularly visible, since it challenges contemporary financial ideas, while its tangible distributive effects are felt and feared throughout the world. We are witnessing a power struggle of potentially awesome consequences. Each political response to the latest economic calamity evokes the spectre of the Great Depression and its bloody aftermath.

There is a tension between the impersonal conditions of social life and the persons who inevitably carry it out (Hart 2007b). This relationship is poorly understood, perhaps never more than now, when the difference between individual citizens and business corporations operating on a scale larger than some countries has become obscured. Ideas are impersonal, human life is not. So, at one level, the issue is the relative priority to be accorded to life and ideas. At the heart of our public culture lies an impenetrable confusion of people, things and ideas. The feminists were right to insist that the personal is political. The political, too, often is necessarily personal. If we relied on persons alone to make society, however, we would be back to feudalism or its modern equivalent, criminal mafias. There must be impersonal institutions that, at least in principle, work for everyone, regardless of who they are or whom they know. What place is there for the humanity of individuals in the dehumanised social frameworks we live by? This is the conundrum at the heart of the human economy; for many its negation is the corporation, wielding the power of its wealth, size and longevity, while claiming the rights of ordinary citizens.

The twentieth century was built on a universal social experiment. Society was conceived of as an impersonal mechanism defined by international division of labour, national bureaucracy and scientific laws understood only by experts. Not surprisingly, most people feel ignorant and impotent in the face of such a society. Yet, we have never been more conscious of ourselves as unique personalities who make a difference. So we experience society as personal and impersonal at once, despite the huge cultural effort that seeks to separate the two. I have noted at several points

a pervasive opposition between the market and the household or *home*. This division corresponds quite closely to what Stephen Gudeman (2008; chap. 6, *supra*) calls 'economy's tension' between community and market. The market is unbounded and unknowable, whereas the bounds of domestic life are known only too well. This duality is the moral and practical foundation of capitalist economy. It has been placed under considerable strain by the rise of the modern corporation to its current position of economic dominance.

Money in capitalist societies stands for alienation, detachment, impersonal society, the outside; its origins lie beyond our control. Relations marked by the absence of money are the model of personal integration and free association, of what we take to be familiar, the inside. This institutional division asks too much of us. People want to make some meaningful connection between themselves as subjects and society as an object. It helps that money, as well as being a means of separating public and domestic life, was always the main bridge between them. Today it is the source of our vulnerability in society and the practical symbol allowing each of us to make an impersonal world meaningful. That is why money must be central to any attempt to humanise society and why the anthropology of money remains a central concern for anthropologists.

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11 Finance 2.0

Bill Maurer

Anthropological interest in finance has been growing since the 1980s, when speculative stock markets and the financialisation of the world economy occupied headlines and imaginations. Finance also took on new urgency because of the debt crises, currency devaluations and financial collapses that beset many traditional sites of anthropological fieldwork. Anthropologists were accustomed to documenting the effects of the global financial architecture, from institutions such as the International Monetary Fund and World Bank to multinational corporations. However, the mechanics of finance, the entities that make it up and even its very definition remained somewhat obscure. Few anthropologists had the training or inclination to get into the nuts and bolts of finance, and fewer still had any clear understanding of the field.

When I wrote the original version of this chapter, this situation was beginning to change. Social studies of finance (SSF) was developing at the intersection of science and technology studies (STS) and sociology. Sociologists and STS scholars associated with Michel Callon, Bruno Latour, Donald MacKenzie and David Stark had just founded the Association d'études sociales de la finance in 2000; the Socialising Finance blog followed in 2007. The other major development was, of course, the global financial crisis that began in 2007. With the onset of the crisis, the *Financial Times* reporter Gillian Tett, anthropologist by training, became an important guide through the unfolding débâcle and became herself subject to the debates over how to study finance that occupy SSF, STS and the anthropology of finance.

Her (Tett 2009) book on the crisis contributed to a discussion that had been slowly building since the emergence of SSF: have the scholars gone native? That is, in their dissection of the methods, tools and rationalities of financial practice, have they lost sight of the larger picture of expropriation, inequality, instability and crisis? The Socialising Finance blog had a lively discussion on this after a 2010 conference in Paris re-staged what has become a familiar debate (Beunza 2010). Others' work (for example, Riles 2010) has similarly been seen as too cosy with finance. This is unfortunate. Riles's work, like many others', seeks to capture an analytical language that would accept the world-changing potential of the tools that build financial architectures, with the possibility of using

them or new tools to build new financial architectures, and thus new worlds.

In a time when our lives are bound with finance, a strict denunciation is difficult to sustain. If it feels like going native, then either we are in the good company of some of our anthropological forebears, or we are striving for a form of collateral, collaborative praxis that might hold hope for a new financial future (Miyazaki 2007; Riles 2010).

Drawing inspiration from work in other fields with a longer history of research on the topic, anthropologists continue to bring the hallmark method of participant observation and the theoretical tools of the discipline to bear on such diverse financial phenomena as stock markets, banks, derivative contracts, mortgages and other debt instruments, the mathematical and legal apparatus of finance, the creation of new markets in new commodities (such as water and carbon) and trading floors. While this work sometimes harks back to earlier research in economic anthropology, especially the anthropology of money (see Hart chap. 10, *supra*), much of it strikes out on its own. To some anthropologists, the new objects of finance resist conventional anthropological modes of understanding things from the native's point of view. After all, a mathematical formula cannot be interviewed; its makers and users can, but it can have effects that they do not intend and cannot control (see Lépinay 2011; Muniesa 2007a). Accordingly, anthropologists of finance have turned to social studies of science, which emphasises the interaction and mutual constitution of human and non-human actors.

Despite anthropological engagement with finance for more than a decade, it is still difficult to delimit anthropology of finance clearly. This may be a good thing, because boundaries are being raised in related domains such as economic sociology, STS and SSF (see Godechot 2009). Anthropologists working on financial topics interact with scholars in other fields, and since the first version of this chapter was written, at least one new journal has been founded which publishes interdisciplinary research on matters financial: the *Journal of Cultural Economy*. As well, several older journals became important venues for social and anthropological studies of finance: *Economy and Society*, the *Socio-Economic Review*, and *Accounting, Organizations, and Society*. Finally, the internet became an important scholarly venue for current debates.¹

Of particular note in sociological and interdisciplinary studies of finance is the emphasis on the ethnographic method. This began with Abolafia (1996) and has continued with the sociology and SSF scholars. Interestingly, many scholars of finance not trained as anthropologists adopt participant observation, including training and certification as traders and analysts (as I did: see Maurer 2005). This affords intimacy with

finance's objects, techniques and rationalities, as is apparent in Beunza's (Beunza and Raghu 2007) work in a derivatives trading room, Muniesa (2007b) on the technologies of the Paris Bourse, Lépinay's (2011) research on the Société Générale and Harrington's (2009) training to be a trust and estate planner. Horacio Ortiz (2010), who conducted fieldwork in brokerage houses in New York, notes that it is the distinctive *method* of anthropology that has permitted a new engagement with finance. He (2010: 79) also looks toward the contributions of an anthropology of finance to a truly political anthropology, in the Kantian sense: one that takes as its inspiration the 'open horizon' of human potentiality, 'constituted by the whole world'. Later in this chapter I return to the prospect of such a political anthropology via ethnographic engagement with the legal, structural and mathematical technicalities of financial agents and objects.

Definitions, biases and colonial legacies

The broadest definition of finance would include all aspects of the management of money or other assets (see Shipton 2010) and, in particular, the management of debt and equity as a means of raising capital: making money with money. The ethnographic record is full of examples of debt and equity schemes that stand apart from the modern institutions of banking and finance, such as rotating credit and savings associations, indigenous forms of insurance, debt peonage, pawning and so forth. It also considers the interpretation of artefacts such as interest-bearing capital in various cosmological systems. Probably the best known of these is Taussig's (1980) ethnography of South American peasants and proletarians, which follows Nash (1972). He showed how interest had come to be understood in terms of contractual arrangements with the Devil, who can contravene the natural order and make inert matter reproduce. Taussig explained such practices in terms of an indigenous critical discourse on capitalism, an echo of Aristotle's condemnation of interest and praise of money's use in facilitating trade, and a commentary on the social relationships behind economic transactions. Even though a supernatural force makes money fecund, the fact that that power has to be invoked by a human being who is the other party to the Devil's contract shows that the peasants were not mystified by the fetishism of commodities, but rather by the 'precapitalist fetishism' that views relationships among humans, not relationships among things, as primary (Taussig 1980: 129–30).

Anthropologists and historians have also had to deal with the entrenched assumption that 'primitive people' did not have financial institutions or credit and debt systems prior to European intrusion. Thus, modernisation theorists in the middle of the twentieth century sought to counter informal quasi-financial institutions with the formal mechanisms of modern

banking and lending. Late in that century, planners often presumed that in attempting to provide people with access to credit they had to introduce a set of novel procedures and beliefs. While finance played a role in the colonial project through the formation of cooperative societies and rural banks (for example, Furnivall 1939: 357) and the creation of alienable property in land through cadastral surveys and titling schemes (Guha 1981; Maurer 1997; Mitchell 2002), and while the denial of access to finance did limit the economic and political power of the colonised, in many cases people possessed their own forms of currency, credit, debt, insurance and so on. Historians, especially of Africa and often in collaboration with anthropologists, have documented these kinds of financial institutions in ways that paint a more complex picture than the straightforward supplanting of one system by another. Imposed systems were rarely more stable than those they sought to replace, and local systems were often durable and capable of sustaining long-distance and long-term financial relationships (see Guyer 1995; Stiansen and Guyer 1999).

Because European systems of finance, debt and credit went along with colonisation and missionisation, they often got interpreted in terms of political authority (via, for example, state tax and tariff regimes) and morality, ethics and religion (via, for example, the Abrahamic religions' emphasis on divine judgement as an accounts-settling, or the prohibition of interest in Islam and debates over usury in both Christianity and Judaism). In both the political and religious domains, colonial and post-colonial efforts to teach finance as a means of (self-)development often rested on assumptions about time, such as those implicit in self-restraint and the time-horizon of long-term investment, the repayments of debts and the future benefit of savings (Stiansen and Guyer 1999: 10). In the nineteenth century, people accustomed to systems of obligation to nobles found it hard to understand why the repayment of monetary debts would be in their best interest. Wealth in people and wealth in cash were hard to reconcile, and colonial merchants and traders complained that local people rarely repaid the credit extended to them (Law 1999: 19). It is a small step from this to twentieth-century development discourse and its depictions of people as poor because they cannot manage money, do not possess an entrepreneurial spirit or are incapable of the abstract thought that finance seemingly requires (see Blim chap. 20, *infra*). Hence, the World Bank reports that unsophisticated lenders in some developing economies are reluctant to accept certain kinds of collateral from potential borrowers. 'Why', the Bank (1996: 89) asks, 'is real estate or merchandise in a vault acceptable as collateral, but not livestock, machinery, and inventories?'. To circumvent this, the Bank (1996: 89) proposes imposing legal regimes that permit the 'creation of security interests for any person over

any thing' (1996: 89; on the cultural logic of securitisation, see Maurer 1999).

Jonathan Parry and Maurice Bloch's (1989) refocusing of anthropological discussions of money away from its meanings and toward its role in mediating short-term individual decisions and long-term socio-cosmological reproduction provides a useful rubric for situating recent anthropological work on finance. That mediation can be seen as both an analytic device and an observation of the way many people have construed finance. The prohibition of gain without risk in Islam and of usury in medieval Christianity both have to do with concerns that those who make money with money sacrifice the long term to their own short-term desires. The irony is that while the final reckoning is prophesied, it is also, always, endlessly receding.

So, too, with finance. The promise of a long-term settlement of accounts is what animates the lending of money: you do not lend unless you expect a return in the future. However, that final settlement would render capital sterile, no longer yielding a return. Hence, the long term is both the precondition for and the animating fiction of Western finance. In recent work, Jane Guyer (2010), in dialogue with the Italian management scholar Luca Fantacci (2005), has been exploring the temporalities of liquidity, which emphasises value storage and its conversion to other assets, and liquidness, which emphasises accounting, clearance and the settling of transactions. Where liquidity is about the financialised long term, liquidness is about the immediacy of the cash economy. Guyer's invocation of the Biblical sabbatical, a seven-year cycle at which time debts had to be cleared or else forgiven (see also Maurer 2010a), points to the way that cosmology may structure clearance and obviate the 'long run', and that the political-economic project of reckoning does not always tie the immediacy of the present with the end times (see Nelson 2009). Indeed, it may endlessly defer them, for good or ill. Western economists used to know this, most famously Keynes (1923: 65), who rejected long-term economic planning with his quip: 'In the long run, we are all dead'. Similarly, Joan Robinson (1973 [1953]), criticising the theory that prices tend toward the equilibrium of supply and demand, noted that the idea of equilibrium depended on a spatial metaphor to explain a temporal process and denied any real role to time.

Finance and fiction: appearances can be deceiving

Much anthropological reflection on finance has tended to examine the metaphysics of financial temporality rather than delve into its infrastructure. Drawing on Marx's (1909: chap. 25) classic account of 'fictitious capital' in *Capital*, volume 3, which contrasts the fiction of credit with

the 'real' capital of fixed assets (the 'produced means of production'; de Brunhoff 1992: 22) and 'money-capital' paid directly in wages and for goods, anthropologists have lingered over the fictions of contemporary finance. Influenced by David Harvey's (1989) *The condition of postmodernity*, they attend to the cultural formations co-occurring with finance capital and find artifice, illusion, mystification and the occult.

When ethnographers and their subjects alike discover the 'there's nothing there' of contemporary finance, the ethnographers often turn to denunciation, reasserting the real material ground of production against credit. Their subjects often turn to discourses of magic, enchantment and the occult (Comaroff and Comaroff 1999). In this, both echo seventeenth- and eighteenth-century Europeans who explored the metaphorical and metaphysical associations binding credit with faith, gender and literary fiction (Ingrassia 1998). The global financial crisis has breathed new life into this narrative. The anthropological challenge, it seems to me, is to document and analyse its variants, rather than to take it as established fact or theory. So, for example, I would want to understand why evangelical Protestants in Orange County, California, espouse the same economic orientation as prominent commentators in the US (for example, Reich 2010), who seek a return to the real economy of Main Street instead of the financial economy of Wall Street (see Guyer chap. 37, *infra*).

Kath Weston (forthcoming) has begun to explore the political history of the traffic in metaphor between anatomy and finance in the seventeenth century, looking closely at the circulations held to nourish bodies and states. Her work echoes that of Catherine Ingrassia (1998), who demonstrated how finance and literary fiction served as analogues for one another in eighteenth-century England. Thus, the South Sea Bubble led to depictions of stock-jobbers as feminine, willing to believe any story, at a time when women were becoming avid consumers of story-books as well as participants in fantastic investment schemes. Anna Tsing (2000: 141–2, original emphasis) revisits the South Sea Bubble in the context of a different fantastic investment scheme, one involving a non-existent gold mine in Indonesia, and argues that when 'investors are looking for the *appearance* of success', 'economic performance is conjured dramatically'. The conjuring act depends on a spatial and scalar imagination, the delimiting of 'global' and 'local' contingently and haltingly, and continually made and re-made, exactly as a 'dramatic performance' on a stage (2000: 118).

Finance and neoliberal development

Recent anthropological work on finance in general, however, has been less interested in its fictions than in its objects: both its ends and its technique and apparatus. Anthropologists writing ethnographies of neoliberal states

often discuss the financialisation of the state and the efforts of multilateral institutions such as the World Bank to produce 'investable' jurisdictions.² Legal guarantees of property and security interests in land and other immovables have always been central to such efforts.

Anthropologists and others who have studied offshore financial centres in the Caribbean, the Pacific and the Channel Islands most commonly have considered these legal transformations and their effects in terms of nationality and sovereignty (for example, Amit 2001; Donaghy 2002; Hampton and Christensen 1999; Hudson 1998; Maingot 1995; Maurer 1997; Palan 1998; Rawlings 2002; Roberts 1994), focusing especially on the 'differentiated levels of intensity by which states . . . apply their regulation' (Palan 1998: 625) and the imagination of space and territory that those levels of intensity promote. That is, these authors view the definition of some places as 'offshore' to others as a political process and explore the cultural demarcation of region compelled by the regulation of the international state system. They also document the intertwining of the social construction of place and trust, since attracting international finance depends on hiding illicit activities that can occur offshore, and drawing a clear line between the practices of sound asset protection and tax evasion, which often are identical structurally.

Offshore financial activity can, of course, have effects on the societies involved. For instance, it produces economic mobility for citizens while bolstering rigid distinctions between citizens and non-citizen immigrants (Amit 2001; Maurer 1997). Similarly, it shapes and is shaped by conflict between different sectors of elites, the dominance since the 1980s of the merchant class and the 'hegemony of circulation over production' that has characterised the Caribbean since the plantation era (Marshall 1996: 209). Researchers have also studied the effects of the international effort to crack down on the tax havens that began around 2000. Such studies revealed interesting games over sovereignty, as well as the emergence of the use of such places by Chinese, Brazilian and Indian entrepreneurs seeking a jurisdiction that provides access to US stock markets and British courts (Maurer 2010b; Rawlings 2007; Sharman 2010; Vlcek 2008).

There are by now a host of careful ethnographic studies of neoliberalism (for example, Chalfin 2010). Most share in the effort to dissect the cultural work necessary to produce and stabilise the economic domain as separate from the political, in order then to subordinate the latter to the former (for example, Williamson 2002), while some attend to the role of culture in neoliberal development strategies. For instance, Julia Elyachar (2002) shows how microlending projects in Egypt, sponsored by multilateral institutions, lead people to new understandings of the benefits of being in creditor-debtor relationships with richer others, though not in

the way that those powerful others may have intended. She shows how development agencies' discourse of empowerment through debt objectifies people's 'microinformality', their practices and social networks, and turns it into a resource. A key assumption is that credit is a human right, a premise fostered by institutions such as the World Bank once they realised that their efforts to discipline Third-World states through structural-adjustment programmes was harming the poor. Elyachar shows how the new emphasis on microinformality was devised by international organisations to reduce that harm without restoring social services, and hence state influence. Of course, credit imposes its own discipline, since borrowers can be imprisoned for default, and so produces a new form of self-discipline, rather than state discipline. This demands a reflexivity about anthropological concepts, for when the cultural practices of poor people are transformed by development planners into 'social capital', then anthropological concepts of culture themselves can no longer be taken for granted as (mere) analytical tools. Rather, culture becomes a 'new type of discipline that circumvents the state by way of finance and NGOs' (non-governmental organisations) (Elyachar 2002: 511).

In a related vein, Bornstein (2003) documents the role of ideas about charity in the massive financial flows of child-sponsorship programmes and religious aid. She is particularly attentive to the manner in which development discourse, which appears secular, is shot through with Christian and millennial assumptions, and sketches the links between Christian missionisation and the mission of economic development. Her ethnography stands as a singular example of the documentation of a realm of global finance of growing importance (see also Bahre 2007; Coleman 2000).

Sociology and anthropology of financial markets

Anthropologists and sociologists have produced ethnographies of financial markets, often involving participant-observation on the trading floor as well as in corporate offices. It is interesting, however, that despite the common methodologies, disciplinary concerns have inflected the character of these studies. So, too, has the choice of field site and research subjects. Karen Ho's investment bankers are a different kind of animal from Hirokazu Miyazaki's traders: they have different worldviews, act with different goals and, at times, have opposite effects. The differences are more stark in two important books in this field, by Abolafia (1996) and Hertz (1998).

For Abolafia, the task is to understand individual action in a web of social relationships, for the most part abstracted from any structuring system besides the playing-out of individual interests. The surprise in

Abolafia's ethnography is that despite the rhetoric of the free market and competition, traders at the heart of contemporary capitalism find themselves suspended in a web of relationships that constrains the most aggressive players even as it allows them to 'win' (for example, Abolafia 1996: 79). On the other hand, Hertz is concerned more with webs of significance than with sociality. For Hertz, the 'stock fever' that gripped Shanghai in 1992 can be explained in terms of a tension between a centrifugal petty-commodity mode of production and a centripetal tributary mode of production that, she argues, has characterised much of Chinese cultural history. The state, acting like a tributary overlord, sought to capitalise on its citizens' savings, gathering that wealth to fuel China's economic growth. Citizens' own petty-commodity activity and its associated ethos burgeoned into a mass movement, a fever, in opposition to that state but, at the same time, ultimately fulfilling its interests. The contest is a political one between the power of the masses and the power of the state. Hence, the 'interpretative framework through which Shanghainese read their stock market is firstly political, and secondly, if at all, "economic"' (Hertz 1998: 23).

Similar contrasts of emphasis can be found in other ethnographies of stock markets. Karin Knorr Cetina and Urs Bruegger (2000, 2002; see also Baker 1984) outline the 'global microstructures' that characterise trading markets, specifically currency markets. These are global structures with global impacts, but are based on microsocial interactions at the level of traders' intersubjective action and understanding as revealed in their telegraphic electronic text messages to one another, as well as their informal conversations while trading and on the telephone. For Knorr Cetina and Bruegger (2002: 907, after Goffman 1983) there is an analytical 'structural equivalence' of the 'interaction order' and 'macrosocial phenomena', and they assert the mutual constitution of the macroscopic and the microscopic, rather than the dominance of the former over the latter.

There are echoes here of the formalist–substantivist debate (Polanyi 1957 [1944]; Isaac chap. 1, *supra*). In their studies of traders, Knorr Cetina and Bruegger, like Abolafia, focus on interaction and echo the formalists, with their assumption that individuals maximise their satisfaction. On the other hand, Hertz echoes the substantivists, locating people's economic activities in larger, long-term political–economic structures. However, there is some ambiguity in the frame in which Knorr Cetina and Bruegger's traders are embedded. For instance, the notion of embeddedness that they use, drawing on Granovetter's (1985) famous model, presupposes that actions are embedded in a local setting with fairly complex ties between the parties. However, their traders are embedded in a more dispersed and distant setting with relatively simple ties, what they (2002: 909) call

‘response presence’, as contrasted to ‘embodied presence’. As well, at least some of the entities with whom traders are engaged are not human or necessarily humanly directed, and deserve their own sociology. In their paper on traders’ conceptions of the market, Knorr Cetina and Bruegger (2000) call these ‘postsocial’ relations, and argue that understanding them demands attention to the objects that are part of them, and do so drawing on object-relations theory and Lacanian psychoanalysis, as well as on more conventional sociological sources, to put forward the importance of studying objects of knowledge as generating their own forms of desire.

There is something a little unsatisfying from an anthropological point of view, however, when Knorr Cetina and Bruegger discover that global microstructures often function through norms of reciprocity. Discovering that markets are not so individualistic and competitive as they appear in neoclassical economic theory, or that they rely on quasi-clientage relationships, is hardly novel (for example, Geertz 1978). At the same time, the creative uses of ethnographic methods in trading rooms and the theoretical sophistication brought by these sociologists to core concepts in economic sociology have helped shape anthropological work on finance. The difference, I think, is that the sociologists seem to see sociality in terms of immediate human–human interaction, while the anthropologists tend to work from the ethnography outward to questions of cosmology, or inward to questions of technique, and then query the inside–outside (or local–global) distinction itself.

The more anthropological approach is illustrated by two recent studies. One is Karen Ho’s (2009) ethnography in Wall Street investment banks, which she uses to understand changing conceptions of the role of finance in American society. She is interested in how what she calls ‘stock market values’ became so important in discussions of the role of the economy and its relationship to social welfare late in the twentieth century. She tracks the shift in notions of corporate value, from the focus on returns (that is, dividends) to a focus on stock price, and concomitant shifts in political discourse around notions of ‘shareholder democracy’. In other words, corporations, which had once been entities, were turned into an aspect of capital, able to change, dissolve and reconstitute at a moment’s notice. Like Hertz, Ho is interested in mass involvement in financial markets, and the impact of that mass involvement on other domains, such as the political.

The other is Caitlin Zaloom’s (2003, 2006) study of the London and Chicago markets in financial futures. They operate differently: in Chicago, traders mingle and jostle in an open-outcry pit; in London, they work in front of computer screens. Zaloom finds that this difference inflects not only traders’ understandings of the market and their own activity, but also

their understandings of the basic unit of finance: numbers. She finds subtle differences between the ways that pit traders and on-line traders interpret numbers. Both operate with numbers as indexes of 'informational transparency' (2003: 260), the supposed key to efficient markets, but in practice traders have very little information about what they are trading and very little understanding of the fundamentals that produce those numbers. In part this reflects the way that trading is an immediate, corporeal activity, in which numbers are embodied dispositions more than transparent reflections of some market reality. Pit traders have a visceral engagement with these numbers, as the pit is an arena of body and voice, the hand and ear its chief organs and interpretative instruments. Traders report that stopping to calculate and assess risks is actually a 'hindrance to their job', and that 'the first step' of becoming a successful trader 'is learning *not* to calculate' (2003: 264). For on-line traders, the market is rendered as a collection of numbers on the screen. While on-line trading technologies were designed to give traders more information, in fact, Zaloom (2003: 264, original emphasis) finds, they have reduced it by eliminating the corporeal and sensory clues of the pit. Perhaps in compensation, on-line traders generate elaborate interpretative rubrics for the numbers, imagine identities for their interlocutors and competitors, and sometimes see shadowy actors behind imagined numeric patterns. Learning to see and talk about these patterns was key to the development of an interpretative community (2003: 266).

Financial instruments: from content to form

Zaloom's research illustrates an important aspect of the influence of science studies on the anthropology of finance, her focus on forms (after Rabinow 1995). It is not just the meanings of numbers that interest her, but their formal properties and the forms in which they are presented. Form has occupied several anthropologists of finance, especially those who look at its apparatuses, mechanics and techniques. Not surprisingly, perhaps, this work also engages the anthropology of law, as both it and science studies lend themselves to discussions of the distinction between form and content in the world, as distinct from its place in analyses of that world. Anthropologists attending to financial apparatuses also draw on Callon's (1998) argument that economies are shaped by economic theories, that those theories 'perform' the economy, rather than the economy being represented by the theories.

MacKenzie (2001), in science studies, explores how options-pricing formulas shape trading practices in feedback loops that serve to validate the model that underlies the formula (see also MacKenzie 2003; MacKenzie and Millo 2003; for analogous work in political science, see De Goede

2003). To the social-scientific literature emerging on risk and responsibility in finance (Garsten and Hasselström 2003), particularly the ‘cultures of risk’ associated with futures markets (Green 2000; Pryke and Allen 2000; Tickell 2000), MacKenzie lays the groundwork for questioning how finance produces form.

Lépinay (2011) also looks at the work formulas do, not as the outcome of the interests of elites or manifestations of deeper cultural or social processes outside them, but in their own terms and as their own force. Lépinay, who has also collaborated with Hertz (in research on finance and deception), is interested in how formulas circulate and become social forms. My essay on derivative pricing models (Maurer 2002a) points to the way that numbers conventionally are treated as signs of something else (the things counted, for example), and asks how numbers maintain this power to signify. I provide a genealogy of statistics and the historical separation of mathematical from moral probability. This is related to my (2002b) work on debates over the prohibition of interest in Islamic banking and finance. There, I show how the form of arguments often occupy Islamic bankers more than their content, and how the forms themselves are, for participants, enactments of virtue in the world, even if the content is something that looks a lot like interest. The structure and motion of the argument is more important than where it goes or what it uses to get there. Viewing Islamic banking as a form of moral argument from particular cases, I also point out the similarly moral forms of conventional finance.

These and related works suggest that the concept of embeddedness no longer seems adequate to these financial worlds, because entanglements with other domains render inside and outside difficult to ascertain. That does not, however, mean that the idea of embeddedness holds no value. Indeed, Çağışkan and Callon (2009) and Lépinay and Callon (2009) have returned to embeddedness and the formalist–substantivist debate to offer insights on how people, social and technical arrangements shape and interact with each other, and so make up economies and markets. This is the approach MacKenzie (2009) takes, to explore the creation of new objects of financial activity such as global carbon markets.

Using this approach, Ballesterio (2010) looks at the intellectual, affective and calculative effort involved in creating markets and prices for water, along with the senses of humour and peril that preoccupy NGO, government and private actors engaged in the task. Other ethnographers are similarly staking out new ground: Chalfin (2010) on Ghanaian customs regimes; Abelin (2010), Larsen (2010), Munoz (2010) and Roitman (2005) on taxation, sovereignty and the future of the fiscal state; Cattelino (2008) on the Native American gaming industry; and a sociologist, Poon (2009), on consumer credit scoring. These works also appear to mark the beginning

of a 'fiscal anthropology' developing alongside what some sociologists call the 'new fiscal sociology' (see Martin et al. 2009). They open new horizons for anthropological and ethnographic studies of the fiscal, fungibility and finance, and their connections to new political and personal futures. Fisher (2006) tracks the personal and professional biographies of the women of Wall Street, and Patel (2007) asks after the affective attachments of insurance. In my own recent work, I have been looking at the role of philanthropic capital in seeking to bring access to finance to the world's poor, an effort that interestingly interconnects with efforts to securitise the point-of-sale of small merchants around the world, and to privatise state currencies.

The reflexivity of human and non-human financial actors continues to occupy the anthropological study of finance, and it has implications for the production of anthropological knowledge. Holmes and Marcus (2005) and Holmes (2009) discuss strategies for anthropology when its subjects, in their case the US Federal Reserve, themselves produce quasi-ethnographic knowledge that both reports on and shapes the distinction between economic knowledge and the economy. This is the sort of issue addressed by Annelise Riles, working with lawyers and regulators.

Riles (2004, 2010) looks at legal architects of Japan's financial markets, with respect to the technical procedures of trade settlement and clearance, the process of matching buyers and sellers and of settling transactions. Her concern is the simultaneous intimacy and estrangement of these men and their objects and, in particular, the manner in which an almost instantaneous or anticipatory intimacy precluded explicit articulation of knowledge claims. The lawyers spoke of the Bank of Japan, for example, as 'our mother', a care-giver who anticipates before knowledge or need could even be spoken. The shift from a net settlement system (settling accounts at the end of a trading day) to a continuous settlement system represented a shift from the virtues of planning to the vagaries of risk. It also represented what Riles terms an 'unwinding' of systemic thought: the net settlement system was characterised precisely by its status as a system, a form and set of procedures for mitigating risk. Continuous settlement, in contrast, is intended to foreclose the very possibility of system, instead instantly recording 'the market' as it unfolds. Continuous settlement, Riles argues, entails a time of pure need and instinct, like the time of the mother and her anticipatory perfection and, hence, a time without risk. 'With Real Time', Riles (2004: 21) writes, 'analysis stopped' and 'anxious self-reflexive critique of [one's] own place in the system would now become superfluous'. For Riles, taking this seriously poses a problem for anthropology. What she describes is a milieu that considers itself to be impervious to analysis because there is nothing to analyse: there is just stimulus and automatic response. It appears utterly banal, flat, a landscape of uninteresting, because intimately familiar, need.

In *Collateral knowledge*, based on her fieldwork among financial regulators in Tokyo and New York (2010), Riles brings her project directly to bear on the conventions of anthropological knowledge and politics. Traditionally, anthropologists, particularly cultural anthropologists, drew analogies between the knowledge practices of their subjects and their own analytical categories. For example, in Taussig's work on South America, discussed above, he analysed ideas about the Devil (native knowledge) by drawing analogies with critiques of the commodity (theoretical knowledge). Riles claims that this procedure fails when anthropologists confront knowledge that coincides with their own. Japanese lawyers trying to come up with new regulations for the derivatives market make analogies between traders' practices and ideas on the one hand, and on the other those of social science and social analysis. In many ways, the cultural-anthropological work Riles might expect to perform here is precisely the work these lawyers are doing: ferreting out the interests behind actions, looking for deeper meanings beneath ideologies and then making analogies to knowledge categories in other domains. There is little for her to add, as her analysis is trumped by theirs. There is no distance, and the mundane renders irrelevant the epistemological quandaries to which the discipline is more accustomed. This suggests a politics, as well, one that gets into rather than avoids the technicalities and formulae of finance and regulation in order to make them the terrain of a new ethical and political practice. Far-fetched? Perhaps, but I agree with Riles that to relegate this field to the sidelines of our political debate is to abandon hope for democratic futures.

Conclusion

Although a nascent field, the anthropology of finance demonstrates that there may be more to anthropological innovation than the extension of its tools to new fields. The very concept of innovation itself tracks rather closely the field of finance, which has consciously built itself on and propelled itself by innovation. If finance is about finding ever-new ways to make money by managing credits and debts, anthropology has been about finding ever-new ways to make knowledge by managing our intellectual debts to our subjects and our academic forebears, while extending credit into the future to the new knowledge and practice that will, hopefully, proceed from our own. Given the puzzles explored in this chapter, it may be that anthropological engagement with finance will involve a kind of amortisation, a reduction to zero of those credits and debts along with the distance between the field and its subjects, subjects who sometimes invoke the same concepts and analytical apparatus as anthropologists do. The task of an anthropology of finance is to come to terms with this quandary,

as itself a form of politics, even as its practitioners, its subjects and much of the world may feel utterly estranged from, indeed ‘liquidated’ by, the financialised time-space of the contemporary moment.

Notes

1. This chapter is necessarily partial. It does not consider work in the anthropology of money (see Hart chap. 10, *supra*) that speaks to many of the same issues as would an anthropology of finance. Similarly, it does not review work on financial transactions or debtor–creditor relationships with the dead (see, for example, Cannell 1999; Klima 2002; Morris 2000), or semiotically informed work on auctions and monetisation (for example, Ansell 2010) and on exchange more generally (for example, Kockelman 2010). Reviews of work on the anthropology of finance and related topics are by Ho (2010) and Peebles (2010).
2. Michael Likosky (2010) describes US President Barack Obama’s effort to model a new national infrastructure bank on the World Bank, using government funds to secure private capital to rebuild the country’s roads and rails.

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12 Distribution and redistribution

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Both anthropology and economics were constituted as disciplines in the context of a debate that began about 1750. This discourse is concerned with the rise of modern capitalism and its impact on peoples in both the core and peripheral areas of its development. One explanation of the difference between the two fields asserts that economists have sought to account for these changes in terms of universally applicable models of human nature – for instance, that human beings are naturally economising – whereas anthropologists have stressed the importance of culture and its shaping effects on behaviour, both individually and in the aggregate (Geertz 1984). As Joel Kahn (1990), Heath Pearson (2000) and others have shown, the interrelationships of anthropology and economics are actually more complicated, and both contain in different ways elements of the dialogue among the diverse strands of liberal, romantic and Marxist social thought. Kahn further notes that concerns about cultural otherness manifested in both fields in the late nineteenth century occurred at a historical moment when traditional communities in both core and peripheral areas were being enmeshed increasingly in capitalist social relations and transformed differentially. One should add that new cultural identities were also forged in the process.

A concern with the interrelations of production and distribution has been an important feature of this debate. From the eighteenth century onward, classical political economists, including Karl Marx, based their arguments on the labour theory of value, distinguishing between (i) the amount of goods required to sustain the members of a society and to ensure its reproduction and (ii) surplus production above and beyond those subsistence needs. While Adam Smith and others argued that capitalist wages refracted subsistence needs and that surplus (profit) was ‘the residual after wages have been paid’, Marx asserted that wages and profits were determined by historical conditions rather than subsistence needs (Calhoun 2002: 127). In his view, ‘production creates the objects which correspond to given needs; distribution parcels them up according to social laws’ (Marx 1973 [1857–58]: 89). Twentieth-century neoclassical economists, in contrast, have rejected the labour theory of value, claiming instead that distribution is based on the costs of goods and various production factors as these are determined by the interaction of supply and demand in the market.

Karl Polanyi (1957 [1944]: 47–55, 272; see Isaac chap. 1, *supra*), building on the work of anthropologists such as Bronislaw Malinowski (1922; see Strathern and Stewart chap. 14, *infra*), also related distribution to exchange (circulation). Unlike the neoclassical economists, Polanyi realised that market exchange and economies were historically contingent rather than universal. He argued that many societies had non-market economies; economic behaviour was rooted in the social organisation of these groups and was based on principles of reciprocity (exchange between groups of kin), householding (production for use) and redistribution (collective pooling and reallocation of goods by a central authority). Beginning with Elman Service (1971 [1962]: 134), a number of anthropologists have viewed redistributive activities as virtually the exclusive basis of chiefly authority in stratified kin societies; they have argued that permanent, paramount chiefs coordinated large-scale production projects as well as the economic specialisation of households or communities located in different ecological habitats. A few have continued to argue that the control chiefs exerted in the reallocation of goods was the basis of state formation. Other anthropologists have focused less on redistributive activities of chiefly men and women than on the mutual rights and obligations of chiefly and non-chiefly peoples (estates) in stratified kin societies and on the tensions that exist between them; they have also urged examining the dialectics of class and state formation instead of arguing that chiefdoms somehow automatically transform themselves into tributary states (Gailey 1987; Sahlins 1963).

Many, but certainly not all, anthropologists and economists have subscribed to the idea of progress; that is, the view that the processes underlying the development of society in general and of modern capitalist societies in particular are uni-directional, irreversible and inevitable. The uncritical adoption of this perspective buttresses the erasure of what we know or what we can infer with varying degrees of certainty about other societies, past and present, from archaeological, historical and ethnographic information. For example, there is evidence from different parts of the world of societies, past and present, in which economic rationality and market exchange are either non-existent or not very important, and in which there are few, if any, incentives to engage in the production of a surplus. There is also evidence of societies that lack exploitative social relations and of state-based societies, both ancient and modern, that either fell apart or seem to be in the process of doing so (Gailey 1987; Lee 2003; Patterson 1992; Szelényi 1988; Szelényi and Szelényi 1991). In a phrase, primitive communism, what Eric Wolf (1982) called the kin-communal mode of production, has been and probably continues to be a reality, and class and state formation is probably still best viewed as a two-way street.

My aim in this chapter is to examine how the relations of distribution differ from one form of society to another. As Marx (1981 [1894]: 927) noted many years ago, what distinguishes societies manifesting different modes of production is 'the specific economic form in which unpaid surplus labour [or goods] is pumped out of the direct producers'. What distinguishes direct producers in capitalist states from those in tributary and tribal (kin-organised) societies is that they have been separated from the means of production, whereas the latter retain possession or control over them as well as over portions of the goods they produce and their labour time. While the appropriation of surplus value during the production process is typical of capitalist production relations, it is not characteristic of either tributary states or the various kinds of tribal societies that were forged on the margins of states. In tribute-based societies as diverse as Han China, Byzantium or the Inca Empire, surplus goods or labour were typically appropriated by political or extra-economic means from conquered or otherwise annexed subject peoples (Haldon 1993).

I shall discuss distribution and redistribution in terms of the tribal (kin-organised), tributary-state and peripheral capitalist societies traditionally examined by anthropologists. With regard to tribal societies, however, it is useful to keep two things in mind. First, not all of the tribal societies described by anthropologists and historians are kin-organised. Some, for example Dahomey and Hawaii, are more accurately described as tributary states, and several anthropologists have recommended not using the term 'tribal' to refer to them. Second, tribes are simultaneously 'administrative units forced upon varied and politically autonomous groups in colonial contexts' and often hierarchically structured 'response[s] to the necessity of defence against imperialist efforts to dominate a given area' (Diamond 1991: 544). The conditions of state formation create resistance on a number of cultural and political fronts. The abilities of tribal societies to resist tribute exactions or becoming enmeshed in capitalist wage relations are varied and historically contingent.

Kin-organised societies and the communal mode of production

The most distinctive features of tribal societies manifesting the kin-communal mode of production are (i) collective ownership of the primary means of production, (ii) the absence of social division of labour, in which the members of one group permanently appropriate the social product or labour of the direct producers, and (iii) sharing (Price 1975; Woodburn 1988). In other words, social relations are not exploitative in the sense that one group does not extort product or labour from the other throughout the entire developmental cycle. Eleanor Leacock (1982: 159) has argued that there is no exploitation in these societies because of the unity of the

production process and the participation of all adults in the production, distribution, circulation and consumption of social product. This means that each individual is dependent on the community as a whole. It also means that there are no structural differences between producers and non-producers. Such a distinction would exist only from the perspective of a given individual who is too young, too old or not a participant in a particular labour process; however, the distinction would disappear when the focus is extended beyond that of a single individual or a single labour process. It becomes inverted from one labour process to another, as a direct producer in one instance becomes a consumer in the next.

Let us consider, as an example, how production, distribution and consumption are interrelated among the Dobe Ju/'hoansi, a foraging people who live in the Kalahari Desert and had only vague notions of the Botswana and South African states in the 1960s when anthropologist Richard Lee (2003: 46–58) first lived with them. The core living group of Ju/'hoansi society consists of siblings of both sexes, their spouses and children who live in a single camp and move together for at least part of the year. When the November rains come to the Dobe waterhole in northwestern Botswana, the camp may expand to include the spouses' siblings, their spouses and children as well as a steady stream of visitors. Plant foods collected by women are pooled within families and shared with other families. Men hunt, and a kill brings prestige to the successful hunter who in reality distributes the meat to his family, parents, parents-in-law and siblings. However, the meat does not belong to the hunter but rather to the owner of the arrow he used to dispatch his prey. Both men and women lend and give arrows to men; thus, it is the arrow's owner, not the hunter, who is responsible for distributing the meat and for any glory or hostility that results from it. If the arrow's owner is present, the hunter shares the meat with him or her; if the arrow's owner is elsewhere, the hunter saves a portion of dried meat which he presents when they get together.

In kin-organised societies, men and women typically share the products of their labour with a range of kin; however, who constitutes kinfolk is often defined in several different ways and, thus, the category may be an ambiguous one. Let us consider for a moment how the Ju/'hoansi describe kin. Three distinct kinship systems operate simultaneously among them. The first involves the genealogical terms an individual uses to refer to his mother, father, son, daughter, older siblings and younger siblings; it distinguishes generations and relative age within a generation and lumps older and younger siblings of both sexes. In general, men and women joke with other members of their own generation and the generations of their grandparents and grandchildren; they show respect and reserve when dealing with members of their parents' and children's generations. The

second kinship system is based on personal names; there are relatively few men's and women's names, and these are always gender-linked. Thus, men and women share names with other many other Ju/'hoansi. The possession of common names trumps genealogical ties; it also means, for instance, that an individual would call anyone with his father's name 'father', and that he would be called by various terms depending on what his name meant to another person (similarly with someone having the same name as a woman's mother). The third kinship system is based on the principle that the older person determines the kin terms that will be used in a relation with another individual. The simultaneous operation of the three kinship systems makes kin out of virtually everyone in Ju/'hoansi society, both those who are related biologically and those who are not. It tremendously expands the range of individuals with whom the products of labour are potentially shared (Lee 2003: 59–76).

The Ju/'hoansi demand high levels of sharing and tolerate low levels of personal accumulation. Charges of stinginess and arrogance are the most serious accusations one individual can make about the behaviour of another. A woman who refuses to share foods she has collected is stingy, while the hunter who boasts about his success is arrogant. While there are powerful levelling mechanisms among the Ju/'hoansi and other kin-organised societies, this does not mean that all kin-organised societies manifesting the kin-communal mode of production lack social differentiation or that interpersonal relations are not occasionally onerous or oppressive, or even that wealth differentials are absent. In some of these societies, especially those with stratified kin systems such as the Tongan Islands in the early nineteenth century, individuals and groups occasionally do withdraw from direct labour and depend on the labour of others. However, their ability to appropriate labour depends not only on the positions of authority they occupy in the hierarchical kinship system but also on the continued goodwill of the community, rather than on force or control of the means of production. This authority is fragile. To threaten the community's customary standard of living with excessive demands invites resistance and denial of prestations. The appearance of a potential social division of labour within such societies creates tensions that make these hierarchies unstable, unless the kin antagonisms they generate are deflected by the mediating practices and institutions of extraction and rulership of the state.

Let us consider how production, distribution and consumption are interrelated in a kin-organised society with a stratified kinship system. Christine Gailey (1987) pointed out that, in early nineteenth-century Tongan society, everyone was ranked relative to everyone else according to three potentially ambiguous and contradictory principles: (i) older was

superior to younger; (ii) maleness was superior to femaleness; (iii) sisters were higher ranked than brothers. Moreover, people were also ranked collectively according to their genealogical proximity to a shared, founding ancestor and belonged to one or the other of two overarching hereditary estates: chiefly and non-chiefly peoples. Only the highest-ranking chiefly people were titled. They attempted to support their claims to titles by reference to genealogical accounts that spanned more than a hundred generations and described the activities and deeds of named ancestors. However, these accounts, which were kept by chiefly women, contained another source of ambiguity: personal names in Tonga were not gender-linked. As a result, while all relationships were potentially charged with inequality, the ambiguity which existed meant that there was also considerable room for manoeuvring, especially in successional disputes and attempts by chiefly women to consolidate their rank.

The division of labour in Tongan society refracted rank, age, gender, kin connections and skill (Gailey 1987: 84–105). Chiefly men holding the highest-ranking titles withdrew from direct production and delegated use-rights to lower-ranking district chiefs who provided labour as well as perishable and durable goods. The district chiefs oversaw the activities of non-chiefly peoples who were bound to the land but had hereditary use-rights to the means of production and to resources obtained through kin connections. While non-chiefly men farmed and fished, all women made woven mats and bark cloth (wealth objects or valuables) that were infused with their rank. The ranking systems refracting age and gender also functioned as rules of distribution. Thus, older siblings were able to claim labour and products from their younger siblings, and sisters by virtue of their higher rank had claims on the labour and products of their brothers as well as on those of their brothers' wives. These rules of distribution reflected both the diminished importance of households based on the nuclear family (the husband–wife pair) as well as the greater importance of the relationships that existed among siblings.

Members of the chiefly estate also had claims on the labour and products of the non-chiefly peoples. Gailey (1987: 93) writes that 'the first results of any productive activity, the first fruits of any harvest – especially of yams – and unusual or high-quality products, fish, other foods, and so on were destined for the chiefs'. The claims of chiefs on commoners and on one another's products by virtue of their relative rank were particularly apparent during the annual 'first fruits' ceremony that was held before the yam harvest. Non-chiefly men prepared an early-ripening variety of yam and baskets of fish, while the women made decorated bark cloth and mats. The men and women each presented their goods to the chiefs. The chiefs retained portions of the prepared foods for the gods, for their own use and

for lower-ranking members of the chiefly estate; the rest was given back to the commoners to ensure that no one left the day-long festivities hungry or without food to take home. Chiefly women also made bark cloth and mats that they gave to other chiefly people, enhancing the status of the recipients in the process.

State formation and tribal societies

There was a crisis in Tongan society following European contact in the early nineteenth century that affected both production and distribution. Several interacting processes culminated in the imposition of state institutions and the crystallisation of a social-class structure. First, the Wesleyan Methodist missionaries provided a patriarchal ideology that simultaneously ignored the traditional power of sisters and asserted the existence of an immutable hierarchy that contrasted with the ambiguous ranking system of traditional Tongan society. The paramount chief allied himself with the Methodists and seized on their worldview as a justification for marginalising his sisters and for asserting his primacy over the other chiefs. Second, the Europeans also provided an endless stream of guns that were used to intensify successional disputes. Increased warfare underwrote the political unification of the archipelago, the replacement of the customary communal landholding practices with allotments to individual men over the age of 16 and the imposition of tax-rents. This provided the king with a steady source of revenue; it curbed the power of the local chiefs, who no longer had access to the labour of men who held individual allotments; and it provided incentives to those allotment holders to engage in the production of cash crops, such as copra (dried coconut) or coffee, that could be sold or to sell their labour power to others. Third, a legal code enacted after 1850 redefined crime and morality and specified both monetary fines and periods of forced labour as penalties. It also banned women from wearing tapa cloth garments to church and thereby forced them to purchase imported cotton fabrics (Gailey 1987: 194–247).

In some instances, states with omnipresent armies or police forces have distorted production relations as well as the rules governing distribution in kin-communal societies on their margins and succeeded, at least temporarily, in atomising the community in ways that allowed the states to specify both the form and timing of tribute exactions. In societies such as the Maasai of East Africa, production, consumption and taxation occur at the level of the individual household. However, the reproduction of Maasai society and culture in the context of the colonial state took place when the members of the various households participated in periodic ceremonies and when they lent cattle to kin and friends residing in other regions as a hedge against famine and drought (Rigby 1992: 35–97). In a phrase, the

social reproduction of the Maasai continues to be based on pre-colonial forms of distribution, notably sharing, the use of common land and participation in regular community activities such as the periodic age-grade ceremonies.

In other instances, tribal societies have successfully defended communal control over use-rights, labour and the disposition of their members; however, in the process, the various dimensions of the division of labour – age, gender, life experience and kin role – were separated from each other, and a person's status came to be defined in terms of one or two dimensions, typically age and gender, instead of an amalgam. As a result, higher-status individuals, usually older men, came to exert greater control over the labour and products of the community than women or younger men (Kahn 1981). The Guro of the Ivory Coast exemplify this social type. Emmanuel Terray (1972: 137) argues that Guro society manifests two modes of production: (i) a tribal-village system in which the means of production are owned collectively, authority is intermittent and temporary, and distribution is egalitarian; and (ii) a lineage system in which the means of production, while owned collectively, are held by a single elder male whose authority is continuous and who appropriates foodstuffs and other goods produced by his dependent, younger kin. He then redistributes this surplus, 'us[ing] it mainly to obtain wives for the same juniors . . . If he fails to honour this obligation, he will find that his dependants leave him and it will follow that he loses his position as an elder' (Terray 1972: 172).

In still other instances, tribal communities have from time to time removed themselves altogether from the influence of nearby states or rid themselves of kin who proclaimed themselves rulers. Pierre Clastres (1987 [1974]: 214–16) describes a series of events that occurred among the Tupi-Guarani of Brazil during the last decades of the fifteenth century, when fiery orators went from village to village warning them about the destructive effects of chiefly power and exhorting them to rise up against those who would be chiefs. Similarly, Richard Lee (2003: 178) relates that, by the mid-1980s, eight groups of Ju/'hoansi had already moved away from the strategic hamlets established a decade earlier by the South African Defence Force and resettled in remote areas of Botswana and Namibia. They are now reoccupying their traditional campsites. The implications in both cases is that the communities sought to re-establish traditional forms of distribution that contrasted with those imposed by the state.

Tributary states and the tributary mode of production

Anthropologists have also investigated a number of tributary states. Samir Amin (1976: 13–58) coined the terms 'tributary' or 'tribute-paying' to refer to a variety of precapitalist, state-based societies where, as in the early

civilisations found in Europe, Asia, Africa and the Americas, labour or goods were extracted through extra-economic (political) means from the direct producers by the state apparatus or the ruling class that controlled it. Tributary states have several distinctive features, the most important of which is that kin-organised communities continue to be the dominant units of production in the society, even though their survival is continually threatened by the claims and exactions of a state that is either unwilling or unable to reorganise production on a non-kin basis. While the state is able to intervene in the production and reproduction of these local communities, its survival depends on their continued existence. Production in tributary societies is organised for use rather than exchange; the goods kept by the producers as well as those appropriated by the state and the dominant class are used or consumed rather than exchanged. Tribute is not always extracted exclusively by means of force, since the direct producers might acquiesce or even agree to these exactions, particularly when they are threatened. Since exploitation is the most distinctive feature of any class-based society, resistance is equally symptomatic; as a result, class conflict is the fundamental relationship between the constituent classes of tributary states. As long as the kin or village communities retain control over their lands and labour, over their own subsistence production and social reproduction, they deprive the state and its ruling classes of some of the goods and labour their members wish to consume. As long as the state and its dominant classes are unable to exact tribute consistently from subject communities, their members often seek the goods and services they have lost or desire through expansionist policies that exploit or subjugate peoples on their periphery. Merchant classes are typically active on the margins of tributary states (Patterson 1992: 25).

Inca society was one of a number of small states, chieftainships, tribes and autonomous kin-communities that existed in the central Andes in the early fifteenth century. The dynastic traditions of Inca society suggest that it began as an estate-ordered chieftainship, much like the Tongan society described above. The chiefly and non-chiefly estates were divided into corporate landholding groups; each of the chiefly corporations had a founding patriarch and property to support his descendants. Civil unrest, political intrigues and assassinations, and invasions by neighbouring groups formed the backdrop against which imperial institutions and practices developed in the 1430s. The ruling class that emerged was composed of the leader who would be king, the members of his corporation and collateral kin who were war leaders, overseers of subject populations or priests at shrines that served the interests of this group. The Inca state expanded rapidly during the next seventy years and extended more than 3,000 miles from northern Ecuador to central Chile and Argentina.

The Inca state extracted labour from subject populations; it provided the food, tools and lodging necessary, while the men and women drawn from diverse local communities provided their labour power for specified periods of time. Given the division of labour in traditional Andean society, subject men farmed on lands appropriated by the state and its ruler, participated in public works projects (road construction) or served in the army; subject women wove cloth and made beer. A portion of the foodstuffs and beer appropriated by the state were returned to the communities whose members produced them; woven cloth was also redistributed, some to the subject populations themselves and some to men deemed deserving by the state.

The administrative organisation of the Inca state is typically described as pyramidal, with the ruler at the top, provincial governors drawn from his kin in the middle and non-Inca leaders overseeing the activities of their local communities. Census-takers and inspectors articulated the Inca and non-Inca layers of the imperial administration. They preserved the new internal order imposed on the local communities by the imperial state. The census-takers counted subjects and made tax assessments. The inspectors reported on the activities of provincial governors and local leaders to the emperor and his counsellors.

Different rules of distribution existed in local communities, such as Huarochiri in the central highlands of Peru. Here land and water rights were held by a series of bilateral kindreds whose members claimed descent through either male or female lines from a founding ancestor. In practice, plots of land located in different ecological zones were held and worked by the members of individual households affiliated with those kindreds. While the households were the basic production and consumption units of the community, they also shared a portion of the foodstuffs and raw materials they produced with kin residing in other parts of their homeland. At one level, this ensured the self-sufficiency of the local community. At another level, a further portion of their product and labour power was appropriated by the community to support shrines, repair irrigation canals or to have festivals that underwrote the demographic and social reproduction of the community itself. Significant portions of the foodstuffs, beer and other goods appropriated at the community level were consumed in the process (Spalding 1984).

In his extended discussion of tributary states, John Haldon (1993) argued that tax and rent are two variants of the same form of surplus appropriation; both are based on the existence of a peasant producing class that retains control, but not ownership, of its means of production. In late Roman and Byzantine society, the state and landlords appropriated labour and goods through various forms of tax and rent. From the

perspective of the state and the landlords who owned property, tax and rent appeared to be different. From the perspective of the peasants, they were similar. Haldon proceeded to point out that, while this basic form of surplus appropriation remained the same, what changed in Byzantine society as the power of the state weakened were the institutional forms in which surplus was distributed.

In the early years of the Byzantine society, the state appropriated surplus and distributed it through the state apparatus. By the eleventh century the peasants, who were increasingly subordinated, handed over surplus to tax collectors who passed it directly to the owners of private estates. In other words, as the power of the centralised state waned, control over direct producers in rural areas passed increasingly to private landlords. What changed was the identity of those who had the ability to extract goods and labour. Thus, Haldon (1993: 140–202) drew distinctions between states with bureaucracies that maintained control over the appropriation and distribution of surplus, from those with ruling families and their retinues and those in which power was effectively decentralised. In his view, the interplay of the forms of surplus extraction and the relations of surplus distribution imposed constraints on tributary states that refracted struggles within the ruling class and between that class and the state apparatus. In a phrase, conflicts over the distribution of resources in which the state loses tend to promote its disintegration or decentralisation; however, when state officials win, the central authority is strengthened while that of the oppositional groups is weakened.

The dialectic between surplus appropriation and surplus distribution is evident in the changing organisational forms of the state in tributary societies as well as in changes in the composition of their ruling classes. For example, in the early years of the Inca imperial state, the ruling class was composed almost exclusively of the ruler and his close kin. As the empire grew, leaders from diverse local groups were incorporated into the lower echelons of the state apparatus, and their relations with the emperor were cemented through marriages between their daughters and the ruler. The male offspring of these unions were ethnically Inca and hence potential heirs to the throne. As sons of the ruler, they had direct or indirect access to the labour of the imperial subjects. In theory at least, the sons also had an equal chance of ascending to the throne and, hence, were in competition with one another. Since they maintained close ties with their mothers' kin, they were able to call upon them when successional disputes erupted. The loyalties and alliances established through their mothers with maternal kin tipped the balance in several disputes over succession to the Inca throne in the fifteenth century. The Inca state ultimately began to disintegrate in the 1520s when it was no longer able to contain a succes-

sional dispute among rival claimants to the throne and the civil wars that typically erupted when successional disputes occurred. These also fuelled regionally based secessions from the state as well as the development of new relations of distribution (Patterson 1985).

Capitalist societies and the capitalist mode of production

In the division of labour that developed in the social sciences from the end of the nineteenth century, the objects of anthropological inquiry were typically societies on the peripheries of industrial or colonial states, whereas their sociological colleagues concerned themselves with the connections among immigration, the proletarianisation of peasant communities and industrialisation. The societies of concern to anthropologists either were struggling to retain important aspects of their traditional life-ways or were in the process of being enmeshed in capitalist wage relations. Consequently, the economic relations that existed in those communities often appeared different from those that prevailed in societies dominated by industrial capitalism and the capitalist mode of production.

Moreover, the economic relations that developed on the periphery of the capitalist world were diverse and continue to be so. In some peripheral societies, like that of the northern Yangzi delta of China early in the twentieth century, the direct producers were sub-proletarians who were unable to subsist and reproduce themselves and their kin exclusively on the basis of wages; they supplemented their wages with traditional subsistence activities that yielded foodstuffs and durable goods and with petty commodity production (Walker 1999). In others, like Pisté on the Yucatán Peninsula, peasants and rural proletarians became townfolk increasingly engaged in artisanal production (Castañeda 1995). In still others, individuals who trucked with outsiders became 'bigmen' or 'men of renown' in their own communities (Sahlins 1963). In a phrase, the object of anthropological inquiry has been societies that manifest articulations of capitalist and non-capitalist modes of production. As a result, the forms of distribution and redistribution that have emerged in those societies are as diverse as the production relations described above. Let us examine a couple of examples in more detail.

James Greenberg (1981) unravels the political-economic and symbolic aspects of the seemingly wasteful expenditures of resources by the civil-religious organisations that sponsor saints' fiestas in the Indian communities in southern Mexico and northern Central America. In Yaitepec, Oaxaca, the community members hold their lands in common; that is, the means of production are parcelled out to member families and fields cannot be sold by those who possess them. While the community produces many of the foodstuffs and goods required for the social reproduction of

labour, its members also purchase needed manufactured goods in stores and markets that are monopolised by an elite whose members reside in Oaxaca city. Consequently, the community members are forced to grow cash crops and sell labour power in order to buy those goods and to pay taxes. After the men in the community marry, usually in their early twenties, they undertake their first religious *cargo*, which entails caring for a particular saint and sponsoring its annual fiesta; by the time men are in their sixties, they have typically undertaken four or five such *cargos*. As a result, they require steadily increasing amounts of cash to fulfil these obligations.

Greenberg reveals a number of important facts about the *cargo* system in Yaitepec and, by extension, other corporate Indian communities in the region. First, more than half of the often substantial cash expenditures on saints' fiestas involve the purchase of food which is either consumed during the ceremony or taken home by the members of the community. Second, the majority of the rituals in Yaitepec occurs immediately before the harvests in October, when the availability of food grows steadily scarcer with each passing day and the signs of malnutrition increase. Third, the amount of food redistributed during the fiestas of this part of the year is sufficient to provide every man, woman and child in the community with food for 41 days. Thus, in Yaitepec, at least, 'the fiesta system reduces the risks of "starvation"' (Greenberg 1981: 152). Fourth, the redistribution of wealth resulting from service in the fiesta system is a levelling mechanism, buttressed by ideologies of egalitarianism and reciprocity, that reduces differences within the community. Fifth, as community members have been differentially drawn into the production of coffee and wealth differentials have increased, 'the leveling mechanisms and traditional obligations which function to minimize the cleavages in the community become less and less effective at resolving the actual inequalities that do exist. This process inevitably brings "individualism" into conflict with "egalitarian" ideology and creates frequent, spasmodic, and sometimes violent interpersonal quarrels' (Greenberg 1981: 198). Finally, there is considerable variation in the fiesta system from one community to another; it appears that the production of cash crops, such as coffee, on the communal lands held by particular families combined with the ideology of individualism and the alienation it entails diminishes the amount of wealth that is ultimately redistributed.

Greenberg has suggested that the fiesta system is undermined by increased production for the market, as men are increasingly reluctant to accept *cargos* and the responsibilities they entail. As a result, *cargos* will not be filled; fiestas will not be held; ever-decreasing amounts of wealth will be redistributed within the community. This potentially opens the community to even further capitalist penetration and exploitation. While

not necessarily disagreeing with Greenberg's prediction, there has been a steadily increasing number of accounts describing individuals who, after migrating to the United States for work, maintain and renew ties with their kin and neighbours in Indian communities throughout Latin America (for example, Hulshof 1991). A number agree to run as candidates for civic office in local elections or accept *cargos* in the fiesta system. While it is hard to document this number, many Latin American immigrants maintain their ties through remittances, which grew from US\$4 billion in 1990 to an estimated US\$23–26 billion in 2002 (Reckard and Dickerson 2002).

Carlos Vélez-Ibáñez, Guillermina Nuñez and Dominique Rissolo (2002) discuss other aspects of transnational communities. They focus on the rural settlements, or *colonias*, which have developed since the early 1980s in agricultural areas north of the US–Mexico border from Texas to California. The 2,000 or so *colonias* currently have a combined population of a million or more people, mostly of Mexican origin. Since neither the state or federal governments nor the capitalist farmers provide housing or services to these settlements, their residents effectively subsidise the agricultural industry north of the border. Nearly 70 per cent of the men and women in El Recuerdo, the *colonia* they investigated, work for local farmers engaged in commercial agriculture; another 10 per cent are labour contractors; a few own small businesses: a garage, grocery store and restaurant-bar; the remainder participate in various facets of the informal and underground economies. A family of six in El Recuerdo has a mean yearly income of about US\$22,500, more than 60 per cent of which is spent on food, payments on cars or trucks, gasoline and automotive repairs. A family of six also spends about \$26,000 a year, which is nearly \$4,000 more than its members earn.

As Vélez-Ibáñez and his associates note, the households of El Recuerdo continually attempt to balance income with overexpenditure and struggle to keep the negative income ratios to less than 20 per cent. They do so through pooling resources, rotating credit associations and, when all else fails, participation in the informal and underground economy, which may yield significant returns but carries large risks, for example arrest, incarceration, seizure of property and deportation. Typically, the members of a household pool their income, wages and future earnings in order to make down-payments on land, trailers or automobiles. For example, a married couple wishing to buy a lot or a trailer will call upon parents and siblings for assistance; in practice, this means that many of the households in El Recuerdo are multi-generational, composed of multiple siblings, their parents, their spouses and their children. New cycles of debt are incurred when younger siblings marry, and cash is consequently pooled again to purchase new housing or make a down-payment on it.

Household members also rely on informal, rotating credit associations that will advance about \$1,000 to \$1,200 for periods of six months. These loans are used to defray the costs of everyday needs, to reduce debt or to purchase gifts that will be redistributed at various rituals. These associations are mostly in the hands of women. Failing to repay a debt to a relative, a neighbour or a friend, thereby breaking a mutual trust or confidence, is, as Vélez-Ibáñez and his colleagues observe, almost unthinkable and has potentially disastrous consequences given the precarious financial circumstances of the households and the ever-present threat posed by Immigration and Customs Enforcement. The men in the *colonia* typically seek money in other ways. For instance, they will borrow from local money lenders at high rates for short periods. Here, the threat of physical violence, rather than the stigma of a broken trust and promise, provides the incentive to repay the debt.

These are not the only ways in which wealth is transferred in capitalist societies. Other forms of distribution and redistribution flourish as well. At one level, as Stephen Gudeman (2001: 63–4) observes, ‘goods are transferred within communities and across generations at bridal showers, weddings, baby showers, birthdays, confirmations, graduations, and other celebrations’. At a second level, individuals make gifts of time, services or money to charities and foundations. At a third level, the kind of food sharing that occurs at potluck dinners or picnics cements and reaffirms both interpersonal and social relationships. It is important to note, as Gudeman does, that such forms of redistribution are not carried out in the market nor are they easily taxed by the state.

The most important forms of distribution and redistribution, however, may be those promulgated and implemented by the state. Reducing the tax rates on gross income and capital gains are two ways income redistribution has been accomplished in the United States. Between 1970 and 2009, Congress reduced the tax rate on the highest income bracket from 70 to 35 per cent; in 2007, the average adjusted rate on the gross income of the 400 highest-earning households, who collectively earned \$138 billion or 1.6 per cent of the total national income, was 16.6 per cent with 25 households paying no taxes and only six paying an effective tax rate of 30–35 per cent. Between 1992 and 2007, Congress also reduced the tax rate on capital gains (for example, the sale of stocks) from 28 to 15 per cent. In 1992, salaries and wages accounted for 26 per cent of the gross income of the wealthiest 400 households; 15 years later, they accounted for only 6.5 per cent of the gross income. During the same period, the contribution of capital gains to the adjusted gross income of those households doubled from 33 to 66 per cent. Another way of saying this, as David Cay Johnston (2010) observes, is that ‘since 1992,

the bottom 90 percent of Americans have seen their incomes rise by 13 percent in 2009 dollars, compared with an increase of 399 percent for the top 400'.

This transfer of wealth was enabled by other US legislation enacted from the early 1970s through the 2000s. That has included, among other things: (i) a growing belief *à la* Milton Friedman that 'the market' is a self-regulating entity that exists independently of the individuals and corporation that participate in it; (ii) increasing attacks on organised labour and the pact that existed between capital and labour in the years following the Second World War (regular cost-of-living increases in exchange for no strikes); (iii) the increasing adoption of domestic economic policies modelled after the neoliberal policies initiated by the 'Chicago Boys' in Chile in the wake of the 1973 *coup d'état*; (iv) the creation of monopolies by facilitating the concentration and centralisation of capital through mergers and acquisitions as well as the vertical integration of those companies; (v) weakening the power of industrial corporations relative to that of finance capital and large mercantile firms such as Walmart which, by virtue of their size, can set the prices they will pay for commodities without regard to the well-being of the direct producers; (vi) the transformation of some industrial corporations into trading companies; (vii) the weakening or elimination altogether of state regulation of banks, trading companies such as Goldman Sachs or Lehman Brothers, as well as stock and commodity exchanges themselves; (viii) the de-regulation of private public-utilities and energy suppliers such as Enron; (ix) the adoption of free trade policies such as NAFTA (North American Free Trade Agreement) in the 1990s, which facilitate international flows of capital; (x) the use of inside information as banks were transformed into trading companies; and (xi) the facilitation of usurious interest rates by credit card companies and 'check-cashing payday advance' firms (Lynn 2010: 183–215). These and other pieces of legislation enacted during the past forty years have allowed speculators in financial markets to regulate themselves. They have facilitated the growth of enormous money-market, hedge-fund and retirement accounts, which are controlled by finance capital and invested for the sole purpose of increasing profits and dividends for small investors and large bonuses for their managers. They have also underwritten systemic and structural economic crises felt at home and abroad, such as the imprudent real-estate lending practices that culminated in the savings and loan crisis and political scandals of the late 1980s, the weakening of East Asian economies and financial markets in the late 1990s and early 2000s and the worldwide subprime mortgage financial crisis that began in 2007, to name only a few.

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13 Consumption

Rudi Colloredo-Mansfeld

Late in the 1800s, indignant missionaries condemned the Kwakiutl potlatch on Vancouver Island, where thousands of blankets were burned and canoes destroyed in the course of exuberant feasts. Such practices, the Indian Superintendent (in Bracken 1997: 35) argued, ‘retarded civilizing influences and encouraged idleness among the less worthy Indians’. Later Indian agents would urge jail in order to reform those disposing goods in this way. In the middle of the twentieth century, scattered groups of Pacific Islanders fretted over the arrival of foreign soldiers in their territories, and not just for the violence they would bring. American GIs came across natives eagerly preparing airfields, roads and docks for the magic ships and planes that they believed were coming with money, appliances, axes and guns (Worsley 1957). Such was the religious devotion that came to be called a ‘cargo cult’, a faith in the simultaneous emergence of trade goods and the Messiah. Towards the end of the twentieth century, images of Amazonian Indians with painted bodies and video recorders grabbed attention; not because they showed that modernity had arrived in the jungle, but because the strange mix of hi-tech goods and traditional adornment showed that primitives still could not get ‘progress’ quite right (Conklin 1997).

Potlatch, cargo cults and primitive videographers all confirm for many Western observers the deep division between themselves and others. And in each case the gap appears at once obvious and intractable because of the common, yet misused, goods that have revealed it. As a basic professional habit, anthropologists have long sought to recast such exoticism as coherent cultural practice. For economically minded anthropologists, spectacular cases of consumption motivate a more specific theoretical concern. They have been pivotal in efforts to develop socially centred economic theory. As anthropologists have explained both the unfamiliar (rainforest VCRs, flaming blankets, porridges of human bone meal) and familiar (Christmas shopping, Barbie dolls, Coca-Cola), they have turned from economists’ commitment to the sovereignty of individual choice to the sovereignty of relations, both relations among people and relations between people and things. Certainly people do make decisions, often selfish ones, for pleasure or status. But by systematically connecting choices to topics omitted in economic analysis – the source of preferences,

the institutional impact of material use, the intimate experience of an object – anthropologists try to explain the obliging social relationships at work in consumption practice (Orlove and Rutz 1989).

Yet for their shared commitment to the social, anthropologists have disagreed about the scope of consumption's importance. Debates spring up about the cultural influence of consumption in relation to production and exchange, the role of households rather than individuals in decisions about acquiring goods (see Ortiz chap. 4, *supra*) and the impact of consumption on the development of the political economy. Here, I sketch five approaches to consumption that are at times complementary and other times competing. Presented under the labels obliging, ecological, symbolic, material and historical, they do not exhaust all that has been done by anthropologists. Rather they illustrate the breadth of anthropology's contribution to the analysis of consumption and how the topic has shaped general cultural theory.

First, some definitional issues. In *The world of goods*, an important text for current anthropological study of consumption, Douglas and Isherwood (1979: 57) defined consumption as follows: 'a use of material possessions that is beyond commerce and free within the law'. Its broadness reflects a widely shared analytical goal, namely to fashion concepts that work both in consumer societies and less-industrialised societies with subsistence economies. By emphasising 'material possessions', though, Douglas and Isherwood productively narrow the discussion. In both scholarly and popular usage, 'consumption' often covers a bewilderingly diverse set of activities. Watching films, sightseeing, reading advertisements, brushing one's teeth and visiting museums all get subsumed under the term and equated in some way with eating up food (Graeber 2007). In their definition, Douglas and Isherwood keep attention focused on things, while downplaying their final disposal. Their approach encourages commodities to be read as signs and consumption to be understood as an act of communication (see Campbell 1995). Yet Douglas and Isherwood remind us that, as things, consumer goods entail the passage of time, sensory experience, the occupation of space and the obligations that people have to each other that are established through objects' circulation.

Obliging consumption

Ceremonial feasts such as the potlatch draw immediate attention to their rich, almost overwhelming, physical details. For their protagonists, these gatherings in fact were not called 'potlatch', but had names such as *kadzitla* (marriage), *tlinagila* (eulachon grease potlatch) and *k'ilas* (feast). Powerful Kwakiutl men hosted the events to manage the political affairs of their people. Legitimising the political dominance of their lineage, consecrating

a young man's claim to chiefly title and forging alliances between local kin groups rested on the disposal of the wealth amassed for these feasts. In addition to the gifts of blankets and other trade goods, chiefs would serve great quantities of dry berry cakes, crab-apples, viburnum berries, candle-fish oil and dried salmon. Guests would partake of this surfeit, constrained by a protocol that rewarded discipline in eating. Etiquette demanded that one not ask for food, it kept portions small and limited feasts to one course (Wolf 1999). Whatever the restrictions, though, participants consumed their fill. In Boas's initial presentation of the potlatch, he emphasised consumption. Indeed, he defined the term 'potlatch' as 'to feed, to consume', 'system for the exchange of gifts', and 'place of being satiated' (Mauss 1990 [1925]: 86, n13).

Drawing on Boas's accounts, Marcel Mauss viewed these feasts and exchanges as a 'total social fact'. He observed that the potlatch addressed all major dimensions of social life: economic, political, religious and social organisation (Mauss 1990 [1925]: 38–9). Both Mauss and Boas read the complexity of the event in terms of the obligations it created among people; the sequences of ritualised consumption becoming the contractual nodes that bind and rebind social groups. Seeking to undo Canadian stereotypes of wasteful, backward Indian economies, Boas (1899) shaded his accounts with the discourse of a commercial rationality, writing of the stacks of blankets and rows of goods as 'capital possessed', 'debts', 'creditors' and 'loans'. Mauss, though, eschewed the rhetoric of industrial economies and abstracted from the potlatch and other ceremonial exchange a general theory of the gift. He locates the power of the gift in its inalienability, its unbreakable tie to the giver that compels the receiver to respond. Consuming, though, appears as a crucial intermediary in his logic of the gift: 'In all this there is a succession of rights and duties to consume and reciprocate, corresponding to rights and duties to offer and accept' (Mauss 1990 [1925]: 14). Consumption specifically contributes to the 'intricate mingling of symmetrical and contrary rights' (1990 [1925]: 14).

In the 1980s, anthropologists reopened debates about the ideals of gift exchange, the meanings of commodities and social stakes that consumer goods can have in an economy of mass-produced wares (Cheal 1988; Gregory 1982). Authors extended Mauss's ideas of inalienability to a general and ongoing association between a person and object and argued that, at times, shopping and gift exchange in consumer societies can create obliging relations and durably meaningful possessions (Carrier 1995). Appadurai's edited volume, *The social life of things* (1986), for example, dissolved the binary logic that pitted gift-based societies against commodity-based ones. Asserting that an object passes from being an anonymous commodity to being a singular, meaning-laden good and then potentially shifting back

to a freely sellable good again, Appadurai emphasises the settings and the circumstances through which goods pass. With chapters on things such as the precocious use of gold in prehistoric Europe, the trade in medieval relics and the role of homespun in India's independence movement, the volume refocuses anthropology's concern with commodities from economics to the politics that allow them to circulate.

Ecological consumption

As anthropology matured as a discipline, the 'total social fact' of exchanged-centred feasts was deconstructed. The potlatch received a more explicitly economic analysis and the consumption that took place was read in more individualised terms. Status replaced obligation as an analytic variable; elaborate feasting signalled not so much social contracts as prestige economies. Thus, in his synthetic overview of anthropology Melville Herskovits (1948: 287) writes: 'The prestige economy is a topsy-turvy system, where gain comes through expenditure rather than through saving, and the highest position is reserved for those who most conspicuously spend the contributions of the less privileged, for the vicarious enjoyment of the contributors'. The argument owes much to Veblen's (1994 [1899]) discussion of conspicuous consumption (Herskovits 1948: 286), yet Herskovits seems unable to accept the purely emulative individual that Veblen describes. Enjoyment remains collective, even if fundamentally unequal.

In North American anthropology, the economic turn produced a hard-nosed materialist analysis of consumption. Extending long-standing ideas that linked culture with natural environments, ecological anthropology took a distinctive form in the 1960s with the work of Harris (1966), Rappaport (1984 [1968]) and Lee and DeVore (1968), among others (for example, Flannery 1968). In the seminal *Pigs for the ancestors*, Rappaport (1984 [1968]) examines feasting, consumption ritual and food taboos, not for the social world they create, but for the regulation of relationships between people and their environment.

Pigs for the ancestors illustrates how ecological research entailed charting the flow of resources from fields and forests through foods to humans and back to the environment. In a series of dense tables, Rappaport lays out the energy expended by Tsembaga men and women as they raise their crops. We learn, for example, that clearing underbrush requires 0.65 calorie per square foot, harvesting taro uses 1.1 calories per pound and so on. Pigs are revealed for their energetic inefficiencies:

The ratio [of energy derived from pigs to energy expended in raising them] could hardly have been better than 1:1 and may, indeed, have been less favorable.

That is, it is quite possible that more energy was expended to raise food for pigs than was returned in the form of pork. (Rappaport 1984 [1968]: 62)

Within a dynamic system of energy flows, consumption practices ranging from food taboos to ritual feasts take form as the regulatory mechanisms of the system. Thus, Rappaport (1984 [1968]: 80) extracts from the cultural rules that prohibit fighting men from eating 'cold' foods, such as catfish or snakes, a system-operator that directs 'most of the subsidiary sources of animal protein to two categories very much in need of them: women and children'. In a similar vein, a long chapter lays out how the length of the multi-year ritual cycle that culminates in the year-long *Kaiko* festival 'is regulated by the demographic fortunes of the pig population' (1984 [1968]: 153). More to the point, the dancing, feasting and rituals of the *Kaiko* that signal the end of years of truce and the commencement of hostilities are a 'means for disposing of a parasitic surplus of animals' (1984 [1968]: 159). The consumption of meat sanctified through the ritual restores a disruptive variable within the broad ecosystem (livestock population) to within sustainable limits.

Seeking ecological explanations on the scale of human cultural evolution, Marvin Harris carried the cultural-materialist project the farthest. He rigorously assessed everything from India's sacred cattle to Aztec human sacrifice for their population-level material consequences. Dismissing ideological or psychological explanations of broad patterns of human behaviour, Harris (1977: 105) insisted that explanations be tied to 'the specific ecological and reproductive pressures' experienced by people within particular environments. This commitment led to his famous argument, drawn in large part from Michael Harner's research, that the massive rituals of human sacrifice undertaken by the Aztec elite, involving upwards of 100,000 people, was akin to 'a state sponsored system geared to the production and redistribution of substantial amounts of animal protein in the form of human flesh' (1977: 109). To make the case, Harris elaborates on two points. First, the bodies that tumbled down the pyramids after having their hearts plucked out were in fact cut up and eaten. Second, the Mesoamerican ecosystem lacked protein because the last ice age had left the area 'in a more depleted condition, as far as animal resources are concerned, than any other region' (1977: 110). Having deployed an ecological cost-benefit calculus in this most notorious instance of ritual excess, Harris's subsequent application of cultural-materialist logic to the condominiums of Reagan-era yuppies seems positively tame (Harris 1989: 374-6).

Criticisms of the cultural ecology envisaged by Rappaport and Harris have been varied and often intense. Symbolic anthropologists dismiss it as

'functionalist' and 'reductionistic'. Even sympathetic researchers have had trouble defining boundaries of ecosystems that permit Rappaport-style analysis. Those who pursue related topics today embrace the idea of 'political ecology', which emphasises the global economic forces at work in local environments. Yet even as the earlier cultural ecology seems to have lost its audience, two concerns at the centre of its analysis have re-emerged. On the one hand, people share a growing concern about the ecological unsustainability of consumer society. The public and scholars alike worry about climate change, peak oil, industrial farming and consumer waste (for example, Stern et al. 1997). And as consumers try to shop their way to a greener future, researchers examine how eco-labelling of products, fair-trade marketing and environmentalist boycotts can create systemic changes (Bryant and Goodman 2004; Pedersen and Neergaard 2006). On the other hand, inspired by Latour's (1999) arguments that society must be seen as a collective of human and non-human agencies, some researchers are coming back to the project of detailing the intimate, regulating relationships between human communities and the material world (Raynolds 2002).

Symbolic consumption

With the shift from ecological issues in the mainstream of consumption studies, attention has followed a symbolically oriented path blazed, in part, by a frequent target of Harris's criticisms, Mary Douglas. Where Harris insisted that cultural rules of consumption came down to their consequences for calories, protein and valued material resources, Douglas reads food taboos for the tenacity of human desire to preserve the clarity of cultural categories. In *Purity and danger* (1966) she argues, for example, that the ancient Israelite swine taboo stems from the taxonomic ambiguities of pigs, animals rendered culturally impure because they had cloven hooves but did not chew a cud the way 'real' ungulates should. It was not the biological need for protein that determined cultural teachings about pork. Rather, shunning hogs preserved the cultural intelligibility of Israelite cuisine.

With the publication of *The world of goods*, Douglas worked with Isherwood to extend the symbolic analysis of consumption to the full range of commodities in a modern consumer society. 'Instead of supposing that goods are primarily needed for subsistence plus competitive display, let us assume that they are needed for making visible and stable the categories of culture' (Douglas and Isherwood 1979: 59). In this view, the utility of objects distracts from their fundamental service to people who accumulate commodities in order to make sense of their place in the world. They admonish (1979: 62), 'Forget that commodities are good for

eating, clothing and shelter; forget their usefulness and try instead the idea that commodities are good for thinking; treat them as a non-verbal medium for the human creative faculty'. In framing the argument, the authors work through hypothetical cases of solitary consumers: people who wolf their food standing by their refrigerator versus the solitary diners who still use a butter knife and reserve mint for lamb and mustard for beef. In their analysis, they discern in almost all cases the 'joint production, with fellow consumers, of a shared universe of values' (1979: 67).

Pierre Bourdieu deepened this approach by exposing how class-based systems of preferences for goods take shape in relation to each other. Drawing on extensive surveys to learn people's possessions, tastes for music, interest in photography, enthusiasms for painters and so on, Bourdieu maps 1970s French social spaces (Bourdieu 1984). By substituting the term 'social space' for 'class', he tries to get at a 'set of distinct and coexisting positions which are exterior to one another and which are defined in relation to one another' in fields of economic, social and cultural capital. Social position, in other words, is not reducible to economic resources or status or education or even any ordered set of these variables (Bourdieu 1984: 108). Rather, a person's place in social space (and his or her concomitant authority) emerges through the habitual set of differentiations – among goods, artistic works, physical activities, occupations – that the individual can produce. Consumption matters enormously in all of this for the power of consumers' selections to naturalise divisions among people where little else about their work or training could.

Having titled his work on the power of taste *Distinction*, Bourdieu (1998: 9) must take pains to dispel the 'disastrous' misunderstanding that he is arguing that the search for status drives all human behaviour. Two key ideas militate against reading Bourdieu as a simple restatement of Veblen's argument about conspicuous consumption. First, the generative force for Bourdieu's consumers is not emulation, but a practical (that is, not fully conscious), recurrent pattern of decisions that produces a unity of style. Sometimes this appears easily accountable in the ledgers of prestige, for example commercial employers' preference for foreign cars and university teachers' affinity for flea markets. Yet Bourdieu also accounts for why the employers have dogs and the teachers cats, a choice that seems less driven by envy and social ambition. Second, for Bourdieu durable correspondences between any set of objects and specific social positions do not, ultimately, matter. Whether the nobility enters a boxing ring or retreats to a golf course is, in itself, immaterial. What matters is how the act of discriminating among goods and activities positions the consumer in a field of relations, and consequently produces that field. Indeed 'position-takings' works as a synonym for consumption events in Bourdieu's scheme (1998: 7).

Leading the symbolic analysis of consumer goods in another direction, Grant McCracken (1988) emphasises cumulative consequences over time, rather than the conceptual orchestration of society in the present. His simplest case involves the furnishings of Lois Roget's farmhouse. Having observed Roget's care for and display of oil lamps, dining room sets, the deed for her house and myriad other objects, McCracken (1988: 49) uses the phrase 'curatorial consumption' to account for 'a pattern of consumption in which an individual treats his or her possessions as having strong mnemonic value, and entertains a sense of responsibility to these possessions that enjoins their conservation, display, and safe transmission'.

McCracken acknowledges how atypical curatorial consumption has become in an era when people inherit little and purchase much. The practice, though, fits with other past and current behaviour explored by McCracken that links the substantiation of cultural categories (that is, the project outlined by Douglas and Isherwood) with the problem of change. If, as he (1988: 130) writes, consumer goods 'are important and ubiquitous agents of change and continuity', they are also limited in the ways they can be deployed. As a meaning system, for example, commodities work narrowly, communicating best when conforming to standard codes.

Through his studies of patina and fashion, McCracken (1988: 137) argues that goods allow social structure a 'relatively consistent expression in the face of the disruptive potential of radical social changes', yet they also channel change as this becomes necessary. Intriguingly, consumers can also dis-order the oppressive standards of taste and culture through their long-term accumulation of possessions. McCracken (2005) has argued that the quality of domestic furnishings known as 'hominess' not only suggests cosiness, but works semantically as an 'anti-code' that defends personal space. Hominess is a world of browns and beiges, souvenirs and mementoes. Its 'mix-and-match' aesthetic repudiates the 'less-is-more' canons of Modernism. The strength of this analysis lies in McCracken's diachronic approach, his effort to follow how meaning works through time. Other work in anthropology links such attention to temporality with a theoretical interest in materiality.

Material consumption

Anthropological studies of consumption have had a contrarian streak. Anthropology's concern with the social weight of commodities unfolds in relation to cultural studies' textual readings of consumer goods as a system of signs (Baudrillard 1981; see also Miller 1995a). Reviewing the sociological literature on consumption, for instance, Campbell (1995: 111) notes, 'Generally we may say that special emphasis tends to be placed on those theories that relate consumption to issues of identity and, within

this, to those that represent consumption as an activity which conveys information about the consumer's identity to those who witness it'. The roots of this approach tap ideas of Barthes (1972) and Baudrillard (1981, 1983), that commodities in contemporary society encode the myths of consumer ideologies. Indeed, they are symbols in and of themselves, 'a world of free-floating signs, fragments and fads, a shallow and superficial lifestyle' divorced from actual referents (Lofgren 1994: 47; see also Friedman 1994a).

Some anthropologists embarked on a critical analysis of advertising, literary texts and images of consumers in order to describe national moments of taste and lifestyle aspirations (Lofgren 1994). Yet a pure semiotic approach does not prevail in anthropology. On a pragmatic level, most anthropologists are committed to an ethnographic methodology, one that places investigators in the varied settings of their research subjects, gathering information across space from stores to homes to offices. Simple characterisations of individualised consumers seeking the psychological rewards of a particular lifestyle rarely hold when friends and family, the neighbourhood and the mall enfold an individual's aspirations. Even studies that take shopping as their focus find a mother's duty and love (Miller 1998b) or a store clerk's contempt and hostility (Chin 2001) as a determinate factor, rather than a private world of self-fulfilments. Indeed, the more thorough the examination of the contexts of shopping, the less mass retail trade appears as capable of sustaining some unified and realisable identity (Carrier 1994).

Anthropological consumption theory in the 1980s directed research away from a purely symbolic or communication approach and sought thoughtful ways to question what the materiality of commodities meant for the construction of self and relations with others. Miller's work has been seminal. In *Material culture and mass consumption* (1987), he restores materiality as a key aspect of identity and social relations in a consumer society. He highlights the multiple symbolic, temporal and sensory dimensions in which subjectivities form. Asserting the widest significance for this project, Miller refutes the Marxist argument that production represents the only legitimate circumstance in which people develop relations and political consciousness. Reaffirming Douglas and Isherwood's thesis, he (1987: 4) writes that mass consumption is 'the dominant context through which we relate to goods' and, by extension, is the means by which we create identities, link ourselves to social groups, express class and taste and form our understanding of ourselves and others (Miller 1987: 215). Yet the core action for Miller is not categorisation, but objectification.

Working with the ideas of Georg Hegel, Karl Marx, Nancy Munn and Georg Simmel, Miller charts how the subject is formed in a sequence of

encounters with the object world. While such unities of subject and object have been argued for small-scale societies, *Material culture and mass consumption* shows both the relevance and the tensions of these arguments when transferred to consumer societies. Forced to transform the alienable objects of mass production into the inalienable objects of community and selfhood, the consumer habitually tackles a fundamental contradiction in modern society. Moving to decentre capital's power, Miller outlines how producers – including manufacturers, retailers and marketers – survive not by dictating choices to consumers but through interacting with them and adjusting to them. Thus, he pushes his argument about objectification from the individual to society: 'A balance between subjectivism and objectivism can be seen as a balance between the weight assigned to the two main forces of production and consumption' (Miller 1987: 168).

Miller has offered fresh consideration of such topics as modernity, shopping, Christmas and the political economy. Emblematic of these is his (1998a: 186) treatment of consumer brands not in terms of 'irrationalized, meta-symbolic life', but in terms of specific practice. His 'Coca Cola: a black sweet drink from Trinidad' seeks precisely 'to plunge us down from a level where Coke is a dangerous icon that encourages rhetoric of the type West versus Islam, or Art versus Commodity and encourages instead the slower building up of a stance towards capitalism which is informed and complex' (Miller 1998a: 170). After reviewing the commercial localisation of Coke in general, and its establishment in Trinidad in the wake of US troop deployment during the Second World War in particular, Miller talks about what Trinidadians drink, when and why. What matters to consumers is not the corporate positioning of brands but the difference between the 'black' sweet drink and the 'red' sweet drink. The 'red' drink, actually a category of drinks, conjures up nostalgic images of Trinidad's past, a history of emergence from plantation economies and the transformation of East Indians from indentured labourers in the cane fields to part of the mix of national culture. Perceived as the sweetest of drinks, it connects both with the sugar-seeking habits of East Indians and with the general fast-food tastes of Trinidadians.

In contrast, the black sweet drink is 'summed up in the notion of a "rum and coke" as the core alcoholic drink for most people of the island' (Miller 1998a: 179). Black sweet drinks are consumed on their own, too; not just Coke, but also cheaper versions such as 'bubble up', produced in an industrial estate near the squatting community where its primary consumers lived (and where Miller carried out his research). They ordered it at local parlours by saying 'gimme a black', or selected the alternative with 'gimme a red'. The more Miller pursues the story of Coca-Cola, the more he reveals rich details of Trinidadian ethnic identities, national self-image

and local corporate competition. Chastising academics for picking Coca-Cola as 'their favourite image of the superficial globality' (1998a: 180), Miller demonstrates that close attention to actual consumption and to the competitive struggle for consumers sublates the general form of capitalism into the specifics of people, livelihoods, politics and history.

Miller has been one of the most consistent advocates of the study of modern consumer societies. More pointedly, he insists that studying consumption will transform anthropology, resulting in 'a final expunging of latent primitivism' (Miller 1995b: 269). The breadth of topics approached in terms of material culture would seem to bear him out. Tupperware (Clarke 1999), used clothing (Tranberg Hansen 2000), ethnically correct dolls (Chin 1999) and other everyday products of advanced industrial capitalism have all received critical analysis for their cultural meanings and social consequences. Activities that anthropologists once ignored as trivial, such as catalogue shopping, receive thoughtful treatment in relation to such core theoretical problems of gift exchange, commodification and alienability (Carrier 1990).

Historical consumption

Anthropology's new enthusiasm for consumer cultures has none the less provoked concern and criticism. Weismantel, who has herself (1988) studied household consumption as a sphere of power relations and cultural change, rejects the significance of consumption for understanding social structure. In her review of Friedman's edited volume, *Consumption and identity*, she writes (1997: 381):

[T]his book reveals both the substantive richness of studies of consumption and the theoretical weakness of post-Marxist economic anthropology. Absent the polemical vigor provided by a rousing critique of capital, eschewing Marx's subtle understanding of . . . modernity's essential contradictions, work on consumption no longer holds the promise of reinvigorating postcolonial anthropology.

More moderately, Carrier and Heyman (1997) seek to redirect rather than dismiss consumption studies. Warning that the scholarly turn to consumption is dangerously partial, they want to restore the traditional concerns of political economy: conflict, inequality and dynamic processes. As a practical matter, they urge shifting analysis from cheap consumables to housing markets, households and other institutional structures that constrain and direct consumption.

In fact, a historical or processual approach to consumption tackles these concerns in locales far more uncertain than those of North American or European consumer societies. Creole children in urban Belize (Wilk

1994), peri-urban workers in Vanuatu (Philibert and Jourdan 1996), southern Tswana communities during an era of European missionisation (Comaroff 1997) and Haya coffee cultivators of Tanzania (Weiss 1996) count among those faced with rapidly remaking their social world under pressures of capitalist expansion, globalisation and other dislocations of modernity. In each of these cases, anthropologists have turned to consumption as a setting where those changes literally hit home. Picking up the thread of community and household material life, they follow it back to distant fields of power, including colonial ideologies, national development programmes and transnational labour markets.

Sweetness and power (1985), Sidney Mintz's magisterial study of sugar, illustrates the most ambitious effort to see history through consumption. He observes, 'A single source of satisfaction – sucrose extracted from the sugar cane – for what appears to be a widespread, perhaps even universal, human liking for sweetness became established in European taste preferences at a time when European power, military might, and economic initiative were transforming the world' (Mintz 1985: xxv). In trying to account for the relation between sugar and European power, he does not look for the answer primarily in forms of production, the regulation of trade, the role of the state and so on. While he does attend to those issues, he (1985: xxv) also insists 'one needs to understand just what makes demand work'. His lengthy chapter on consumption details fourteenth-century recipes that call for using sugar to spice fish, meats or vegetables that had been so pounded and mashed as to be rendered 'soft and mushy, with its principal ingredients disguised' (Mintz 1985: 85). He goes on to describe the cunning 'subtleties' (sugar sculptures) served by the nobility in the seventeenth century, including one that featured a stag that 'bleeds' wine when an arrow is removed from its flank (Mintz 1985: 93). Finally, he shows sugar's transformation from a luxury to a basic necessity that furnished energy through a debased cuisine of sweetened suet puddings and weakened sugary tea to an overworked labouring class in the nineteenth century.

Weismantel similarly uses food to tell the story of capitalism's expansion, but in intimate, day-to-day terms. Her analysis of Andean peasant cuisine during a period of economic crisis during the 1980s illustrates three key elements of a historical approach. First, she draws attention to changes in incomes and resources needed for social reproduction. The parish economy of Zumbagua, Ecuador, centred on barley cultivation. Yet households there relied on city wages, earnings gained in a national economy that is perceived as ethnically White, to participate fully in community life. Shut out from most urban jobs, women took more responsibility for the fields. Men struggled in the city to keep steady jobs, but when they succeeded they returned home with bread, fruits, rice and other

treats for the house, effectively decreasing the prestige of the crops women produced. The different incomes embedded men and women in ethnically polarised relations of production and set the stage for domestic conflict.

Second, she demonstrates that macroeconomic changes create inconsistency in routines of consumption previously taken for granted. Basic hearty breakfasts of toasted ground barley, for example, which farmers once consumed unquestioningly, became the mark of being a backward Indian in the eyes of successful male wage earners. For urbanising peasant households, little of their culture could be treated as unconscious habit or doxa. Yet, she (1988: 159–60) adds, ‘in Zumbagua today, the aggressive presence of white foods is met by the stubborn, uncelebrated existence of barley at the core of indigenous doxa. If children’s longing for bread . . . represent pressure to assimilate, barley products stand for cultural resistance’.

With diversification of consumption comes the third element of historical analysis: the tracking of consumption events as a political dialogue. Material display and social spending serve as statements that respond to, and seek to persuade others about, people’s cultural loyalties (Wilk 1994). The leanness of any occupation open to Andeans, though, means that interests and social messages projected through goods are hard-earned and hard to fake. The requirements of accumulating for public consumption – getting the seeds into the earth and the crops from the field or hustling for minimal wages in the city – push the roots of consumption deeply into the routines of work and set boundaries on how commodities will be read.

For all the sharp analysis of inequality and power, this close study of consumption embedded in community life can falter on two fronts. The first is a return to the parochialism of village studies mired in details of local consumption practices and inventories of small samples of household possessions. As advocated by Miller, studying mass consumption was supposed to liberate anthropology precisely from this narrowness. Second, tracking consumers’ distinctive consumption of commodities or loyalties to a subsistence material culture can strike an overly celebratory note. While it is true that ‘one often finds that the goods have been transformed, at least in part, in accordance with the values of the receiving culture’ (Howes 1996: 5), the transformation may be trivial in the face of the political and economic changes that otherwise erode people’s autonomy.

Wilk escapes some of these problems by linking the study of consumption to the study of media (Wilk 1994). He argues that consumption in Belize City is a contentious dialogue about appropriate development models that he terms ‘official state’, ‘internationalist metropolitan’, ‘ethnic’ and ‘Creole urban’. Yet rather than focusing simply on the varia-

tions among consumer styles, he examines the media, especially television, in order to reconnect style to power via a consideration of time. Television programming matters in post-colonial nations such as Belize, not simply for the consumer imagery it broadcasts, but for its effect on 'colonial time', the timing of the transfer of new commodities that endowed jet-setting elite consumers with the cachet of being the first to consume the latest metropolitan fashion. By disrupting the fashion hierarchy that consigned the Third-World poor to the end of the line, television enables competing visions of both present stylishness and future realities.

Indeed, more subtle historical analysis rescues consumption studies from an ethnographic parochialism. In an innovative study of colonial culture and power, Thomas (1991) links the local uses of goods by both Pacific Islanders and Europeans to the wider give and take of political strategies. He analyses the acquisition of foreign objects, everything from rifles that get inlaid with shells to stone adzes that are carefully painted into European portraits, as an unfolding discourse of power and identity. Extending analysis over two centuries, Thomas recalls Mauss by reconnecting problems of gift giving and reciprocity to the use and display of goods. He intends to subvert conventional anthropological ideas about gifts, yet by once again offering a holistic context that cross-cuts theoretical boundaries between exchange, use, display and consumption of goods, he calls to mind the fullness of materialised social lives that Mauss explored. Thomas illustrates the ways material culture connects coloniser and colonised, political strategy, economic effort and cultural values, in the process forming dense (if not total) social facts.

Conclusion

Jonathan Friedman (1994b: 17) declared that 'no theory of consumption is feasible because consumption is not a socially autonomous phenomenon'. Precisely this concern with the social embeddedness of consumption, however, has helped to make consumption an important focus of anthropological theorising. Much of this theory elaborates on a few basic concerns. Most anthropologists agree that consuming does fundamental work in stabilising cultural categories, and consequently that consumer motivation relates to basic culture-making habits of people as members of communities. Additionally, the exchange of goods or withholding them from exchange, matters of alienability and inalienability, are rooted in the political ordering of society; apparently individualised habits of purchasing, giving and possessing are key arenas where authority is naturalised or challenged. Oriented by these ideas, the economic anthropology of consumption has developed along the several lines of analysis covered in this chapter. As researchers expand their ambitions to new social classes,

to new products and to new intersections between consumption and media, anthropology has not only kept up with 'the unsentimental march of history towards mass consumption' (Miller 1995b: 268) but has helped account for the inequalities, variations and creativity that this march produces.

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PART III

CIRCULATION

From the beginnings of the subdiscipline, economic anthropology has been concerned with circulation, and arguably this is the topic through which subdisciplinary work has had the most notable impact on anthropology generally and on those from other disciplines. Circulation is also the topic where what economic anthropologists have to say touches most directly on popular economic thought, especially the idea of the market. The chapters in this part cover the classic forms of circulation that have interested those in the subdiscipline, ranging from formal ceremonial exchange to monetised markets. The final chapter is a consideration of circulation of a special sort, one that exists in the absence of exchange, it is a sketch of a topic that has, thus far, attracted relatively little attention. However, it is a rewarding one because, however quietly, it raises questions about what seems to be a common assumption, that circulation requires the exchange of value.

14 Ceremonial exchange: debates and comparisons

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‘Ceremonial exchange’ is a term that anthropologists have applied to systems in which items of value are publicly displayed and given to partners on a reciprocal basis over time. Typically, these occasions are marked by dancing and festivities, where men, women and children participate in one way or another. This involvement of the community demonstrates the social importance of the complex events involved. These events also create and maintain forms of political alliance between the partners, whether these are particular persons or groups.

Ceremonial exchange therefore becomes an important constitutive factor in the political order of society. Further elements may be added to those we have specified here. For example, the exchanges may take place along lines of intermarriage between sets of kin. They may also spring from compensation payments for deaths that have occurred through intergroup fighting or individual conflicts. Social features of this sort can be added to or subtracted from the basic model, which specifies that ceremonial exchange consists of reciprocal relationships over time that are marked by public transfers of wealth items between partners. In a broad sense, we can also say that the term ‘ceremonial’ refers to the formalised and customary practices of display and communication that take place on these occasions. Owing to the value accorded these practices, we can say that the exchanges form ritual sequences.

Finally, it is important to realise that often the exchanges take place in terms of delayed reciprocity. Rather than the two sides immediately exchanging wealth items, more often one side or partner gives, thereby obligating the recipients to make a return on a subsequent occasion. It is this element of delay that marks the trust or obligation between the sides: if the obligations are not met, relationships can become strained or even hostile. In other instances there may be instant reciprocity, but usually this also is set into an ongoing incremental sequence spread out over time. The main point here is that delayed exchanges of wealth maintain relationships. An understanding of these processes can help one to appreciate the social interactions of the people involved in the events.

The feature of delayed reciprocity also underlies the basic anthropological definition of the 'gift'. As with many terms used in anthropology, this has a number of different components of meaning derived from vernacular or non-technical usages. These, however, may not apply well in the anthropological context. The primary vernacular meaning of a gift is that it is freely given for no return: 'something that is voluntarily transferred by one person to another without compensation', as Webster's *Third new international dictionary* puts it, *sub verbo*. Bronislaw Malinowski, the Polish anthropologist whose work with the Trobriand Islanders of Papua in the Pacific region from 1914 to 1918 demonstrated the importance of an inter-island network of ceremonial exchange of valuables, known as the *kula* system, was particularly concerned in this study to show that the category of the 'pure gift', corresponding exactly to this definition, rarely if ever occurred among these people. Instead, all gifts were to be seen in terms of appropriate expected returns.

The *kula*, for example, was based on the delayed exchange between partners of especially decorated armshells for necklaces (Malinowski 1984 [1922]). The giving of an item, or a series of items, was explicitly designed to obligate a partner to make an appropriate return later. Thus, gifts bound people together, and in doing so helped to create the fabric of society on an interpersonal basis. These two observations on the *kula* are also applicable to other domains of exchange among the Trobrianders and they negate the two terms of the Webster definition of the gift.

Trobriand gifts create and derive from obligation, and the obligation involved is to make subsequent returns. The anthropological definition of the gift rests on Malinowski's findings among the Trobrianders and on the further cross-cultural systematisation of findings made by the French sociologist Marcel Mauss in his *Essai sur le don (Essay on the gift)*, first published in 1925. Mauss used ethnographic reports from Polynesia, North America, ancient Europe and Melanesia (the geographic region to which the Trobrianders are conventionally assigned), in order to find shared principles relating to the gift as a major constitutive principle of certain societies. Malinowski used the Trobriand example to combat a view he attributed to economists at the time. He wrote against the notion of 'the Primitive Economic Man . . . an imaginary, primitive man, or savage, prompted in all his actions by a rationalistic conception of self-interest, and achieving his aims directly and with the minimum of effort', thus being motivated 'by pure economic motives of enlightened self-interest' (Malinowski 1984 [1922]: 60).

Malinowski pointed out how men's work in gardening, concentrated on the growing of yams for the purpose of using these in a complex series of gifts and counter-gifts between relatives linked by marriage (that is,

affines, in-laws), was in turn geared into the operations of the leadership system of chiefship and into *kula* exchanges. He sought to show how the Trobrianders were 'prompted by motives of a highly complex, social and traditional nature' (1984 [1922]: 60). Essentially the same message was taken up by the school of economic anthropologists who were known as 'substantivists'. This school was associated with name of Karl Polanyi (see Isaac chap. 1, *supra*; Polanyi 1957). These economists saw the economy in terms of institutional processes through which people maintained social relations and upheld group-specific cultural values. Essentially the same viewpoint was argued forcibly by Marshall Sahlins (1976). As Malinowski had done earlier, Sahlins took his stand against narrow utilitarian definitions of people's desires and needs.

These trends in analysis, begun by Malinowski, received powerful early support from the work of Marcel Mauss, as we have noted. Mauss linked the ideology of obligatory reciprocity in gift giving, which is the basis for ceremonial exchange, to an ethic of honour by which prestige is either gained or lost between partners. He identified separately the obligations to give, to receive and to repay. One of his cases, from outside of the Pacific, was from the North-West coast of America among the Kwakiutl people. Kwakiutl feasting was called 'potlatching'. Chiefs, with the support of their followers, were the primary participants in it. Success in amassing and giving away objects of wealth and food brought prestige and indicated that the chief was 'favourably regarded by the spirits' and so possessed fortune (Mauss 1954 [1925]: 37). Recipients also could not refuse a gift, for fear of being shamed. And in turn they would have to make a later return, preferably greater than they had received. The potlatch thus had an inherent tendency to escalation. Mauss pointed out that one intention of the giver could be to humiliate the receiver, and this he saw as diagnostic of an agonistic or competitive element. This element is also found to a variable degree in the ceremonial exchange systems of the Pacific region, for example among the Mount Hagen people of the Western Highlands Province of Papua New Guinea (Strathern 1971; Strathern and Stewart 2000); and on Goodenough Island in Milne Bay Province (Young 1971).

Mauss (1954 [1925]: 45) introduced a further analytical term into his discussion. He called obligatory gifts 'prestations', and he called those prestations which involved whole groups or families with one another 'total prestations'. This term 'total' comes to be applied because prestations carry with them many aspects and functions: religious, economic and political, for example. They are embedded in a system of overall circulation: 'The circulation of goods follows that of men, women, and children, of festival ritual, ceremonies, and dances, jokes, and injuries' (1954 [1925]: 44). Further, in giving things, 'a man gives himself, and he does so because he owes himself

– himself and his possessions – to others’ (1954 [1925]: 45). These various insights and propositions of Mauss were very influential in feeding into subsequent ethnographic analyses, especially of Pacific societies. Mauss’s synoptic formulations of this kind have been widely admired and adopted, although Annette Weiner (1992) introduced an important caveat: some items of value may not enter readily into transactions, but belong rather to a sphere of identity, family continuity or group reproduction through rituals. This she called the sphere of ‘inalienable possessions’, a concept that Maurice Godelier (1996) has also subsequently employed and adapted.

Mauss’s scheme was evolutionary. He saw the gift as emblematic of archaic economies or forms of exchange generally. He also saw the origins of credit and the contractual relationship found in modern law to be rooted in this archaic context. And he saw a phase of what he called ‘gift exchange’, in which individual persons made specific partnerships with one another, to be characteristic of societies that had passed from total prestations but had ‘not yet reached the stage of pure individual contract, the money market, sale proper, fixed price, and weighted and coined money’ (1954 [1925]: 45). He returns to this scheme of thought at the end of his study (1954 [1925]: 76–81), stressing the significance of the gift for making peace and alliances between people as an alternative to war, and implying that modern nations might have something to learn from tribal experience of this sort (1954 [1925]: 80).

The evolutionary and ethical aspects of Mauss’s thought have been less followed up than his synoptic analytical schemes and his delineation of the elements involved in gift exchange. It is these elements that are often clearly exhibited in the complexes of activity that we recognise as constituting systems of ceremonial exchange.

Another definitional issue in terms of which the domain of ceremonial exchange has been discussed has been the distinction between trade and gift exchange. This issue is relevant to the starting point of Malinowski’s analysis of the *kula* exchanges. On the overseas voyages carried out to solicit and obtain *kula* valuables from their exchange partners, men might take various other items to trade with, and the Trobrianders gave these transactions the name *gimwali*. One explanatory theory of the *kula* system is that gifts provided a political cover or surety for the utilitarian trading that went on between partners from mutually hostile and foreign places. This is not a theory that has gained acceptance, since many anthropologists prefer to see the *kula* in political terms, as a competition for prestige, and also as a ritualised alternative to physical violence or warfare between groups. Nevertheless, the distinction between *kula* and *gimwali* laid the foundation for a standard distinction in Pacific ethnographies between gift exchange and trade. In this distinction trade corresponds closely to

'barter', the category previously favoured by economists as the original or earliest form of economic transaction between people. Malinowski's ethnography, by contrast, highlighted *kula* by comparison with *gimwali*; and Mauss further argued that total prestations, followed by gift exchange, carried within them the evolutionary forerunners of modern economic transactions. Thus, he downplayed the primacy or significance of barter as an economic mode of activity.

It is not necessary to evaluate these viewpoints here. What we can say is that, if we make an analytical distinction between trade and gift exchange, then we shall find both categories at work in empirical cases, and what is of interest is to see how they articulate with, or relate to, each other. Thomas Harding (1970) studied this problem for the Vitiaz Straits area on the north coast of the island of New Guinea. His overall finding was that a wide range of foodstuffs, artefacts and items of value were linked in a trading network between islands and mainland sites through which goods were funnelled back to the island of Siassi, where they entered into feasting and exchange activities that established the prestige of local leaders. This basic model can be found replicated in other areas. Christopher Healey (1990) carried out a detailed study of trade among the Maring people of the Simbai and Jimi Valleys north of Mount Hagen in Papua New Guinea. The Maring environment is rich in birds of paradise and marsupials whose plumes and fur are highly prized as decorations for dancing both by the Maring themselves and, to an even greater degree, by the Chimbu, Wahgi and Hagen peoples living in the densely populated highland valleys and ranges to their south. Maring hunters shot and trapped forest creatures and processed their skins and feathers into items suitable for trade. Through individual trade partnerships these items made their way southwards, while stone axe blades, needed for garden work, and shell valuables, ultimately derived from coastal areas, were drawn northwards into the Maring area. The Central Highlanders (Chimbu, Wahgi and Hagen) gathered large quantities of plumes and furs for their ceremonial displays of personal and group strength and attractiveness on occasions of feasting and gift exchange. Trade thus fed into contexts of exchange on a regional basis between different language areas. Roy Rappaport (1984: 106–9) argued that the inclusion of valuables with trading items such as salt and stone axes assisted in the distribution of goods along the chains of partnerships feeding into and out of the Central Highlands valleys. His argument depended on his supposition that Maring trading links were formed in chains, rather than in webs through which goods might flow in a number of directions. Healey, however, argued in response that these trading chains intersected to form webs, and also that moral pressures could be exerted over several intervening links. He added that 'moral pressure is

also strengthened by the fear that failure to comply with a request may leave one open to a witchcraft attack if the unsatisfied trading partner is a witch' (Healey 1990: 214). Healey further suggests (1990: 215) that a hard and fast distinction between utilitarian and non-utilitarian goods cannot be made.

Healey points out, as others have done, that trading activity is itself not empty of social context. While it has a utilitarian aspect, 'trade is not simply a utilitarian pursuit but one that allows individuals to make qualitative statements about social relationships' (1990: 315). These relationships among the Maring, as elsewhere, varied in accordance with social distance. 'Trade with strangers in pre-contact times [that is, prior to the earliest government patrols by the Australian colonial administration in 1955–6] was often of a formal nature', sometimes mediated through hosts who accepted trading visitors as guests (1990: 325–6). This point about hosts and guests is significant. Without this minimum of friendship, trading outside of one's own area could be risky. In a study largely devoted to the history of gift exchange since early colonial times in Mount Hagen, we also have identified the element of 'friendship' as significant for both trade and gift exchange (Strathern and Stewart 2000: 21–41). The same general term, *monge etemen* (they make friendship), can refer to both trading and gift exchange contexts in the Melpa language spoken in Hagen. In terms of either analytical definitions or of indigenous concepts it can be difficult to make a clear determination of whether a transaction should be seen as trade or gift exchange (Strathern 1971: 101; on Maring ideas regarding exchange, see also LiPuma 1988).

This point is relevant to a further, and final, definitional issue: the analytical distinction between gifts and commodities. In taking up this issue in the context of a re-study of the category of barter, Humphrey and Hugh-Jones (1992: 9–10) note that barter usually entails forms of sociality because it has to be underpinned by a measure of trust, and rates of exchange for transactions vary greatly with circumstances. Often barter takes place in the same community and is repeated between people over time. From this we can infer again that the distinction between trade and gift exchange is blurred, although typically trade involves the immediate exchange of unlike items and gift exchange involves the delayed exchange of like items (for example, pigs for pigs or shells for shells). Barter may also take place on the peripheries of communities or language areas. Alfred Gell, in the volume edited by Humphrey and Hugh-Jones, argued that more attention should be paid to the contexts of barter in order to counteract the overwhelming tendency in the ethnography of New Guinea, derived from the work of Malinowski and Mauss, to concentrate on gift exchange. A part of Gell's argument was that gift exchange in part

mimicked the operation of barter, placing social reproduction in the hands of people who controlled valuables (Gell 1992: 167).

Barter corresponds conventionally to the category of commodity exchange, in which the items exchanged are seen as 'alienable objects' (1992: 144). Gell points out that items are also alienated in gift exchange (1992: 145), so that this definition does not unequivocally distinguish the two categories in practice. If we accept, however, that both trade (= barter, commodity exchange) and gift exchange (= ceremonial exchange) are important components of the overall economy in New Guinea societies, it becomes evident that we cannot describe these societies simply as 'gift-exchange systems', in contrast to the 'commodity-exchange systems' of the industrialised West. The recognition that commodity exchanges were a part, and often a vital part, of the circulation of items in pre-contact systems further makes it easier to understand why markets and business activity rapidly became adopted following colonial influence in New Guinea. Equally, it is important to understand that the processes of gift and commodity exchange are intertwined in the contemporary economy just as they were in the past. In Mount Hagen, for example, when state money was introduced into the ceremonial exchange nexus, replacing shell valuables, a new articulation of processes was set up. Most money is obtained through earnings from coffee growing, so that money from the sale of coffee was partly channelled into gift exchange. The gift-exchange network thus became dependent ultimately on the world market price for coffee; just as, in the past, the supply of valuables and plumes for exchange occasions depended on the availability and cost of these items from peoples peripheral to the Hageners' own gift-exchange networks.

Commodity exchange and gift exchange thus do not refer to different societal forms. Moreover, in practice the character of an exchange may include both commodity and gift elements. And specific items of value may enter into chains of transactions in which they are treated alternatively as commodities or gifts. Actually, it is the conversion of commodities into gifts that underlies many of the transaction in situations of social and economic change that are found in the contemporary world of the Pacific region. As James Carrier (1992a: 129–38), commenting on the work of C.A. Gregory (1982), has pointed out, this process of conversion has in turn had multiple effects on the practices of gift exchange and the social relationships which are realised through them. On Ponam Island in Manus Province, Papua New Guinea, kinship-based exchanges at village level came to be dependent on monetary contributions by village members who had become urban migrants. External trade alliances atrophied, and the former class of wealthy men (*lapan*), who were prominent in their descent-based kin groups, no longer controlled marriage patterns by sponsoring

marital exchanges of wealth. As a result, the descent groups (*kamal*) remained in existence, but did not carry the same functional importance as they had before (1992a: 135). The external capitalist economy did not destroy all the elements of the former social structure but it altered the interrelationship of these elements.

Similarly, in Mount Hagen, when state money was introduced into gift exchange (*moka*), this favoured groups with fertile and abundant land for growing coffee. It also allowed women, who could earn money by selling vegetables in the urban market, to play a more decisive role in contributing directly to sums of money designated for *moka*. New forms of conflict between men and women, and intensified forms of group conflict over land resources, emerged from this situation of articulation (Carrier's term for this kind of historical process, Carrier 1992a). Perhaps in response to Carrier's critique, Gregory has himself recently disavowed any idea that he intended to use 'the distinction between gifts and commodities to classify societies', adding 'nor have I ever suggested that "we" are to commodities as "they" are to gifts. Such an approach is anathema to me' (Gregory 1997: 47).¹ Possibly, Gregory may have thought that at some time in the pre-colonial past there were no commodity exchanges, although there was certainly extensive interregional trade (Healey 1990; Hughes 1977). Yet, he did recognise in this earlier work that in Papua New Guinea an 'ambiguous' economy had been created, 'where things are now gifts, now commodities, depending on the social context' (1997: 48, quoting 1982: 117). He goes on to analyse this commodity-gift nexus in the Trobriand Islands, basing his analysis on a film for which the anthropologist Annette Weiner was the anthropological consultant (Gregory 1997: 53-6; see Weiner 1988 for a complementary account). He also explains that in his view the gift-commodity distinction is a tool for logical conceptualisation, not ethnographic classification (1997: 47). In other words, it sets up ideal types that may guide us in analysis, but cannot be used for the empirical classification of whole systems. Unfortunately this is exactly how his work was received by some ethnographers of the region, who used it as a 'persuasive fiction' in order to set out differences between the putative 'Melanesian' life-world and the world of Western capitalism (see Carrier 1992b: 16 on this kind of strategy, which he calls 'mirroring').

From this discussion we can see that an analytical distinction between gifts and commodities can be useful, provided we realise that the existing gift-exchange systems that ethnographers describe are historically set into contexts of colonial change, and that pre-colonial bartering patterns indicate the early intertwining of commodity and gift exchange patterns also. Arjun Appadurai, in a broad review of definitional issues, argues that 'the exaggeration and reification of the contrast between gift and com-

modity in anthropological writing' can be traced in part to 'the tendency to romanticize small-scale societies' and also to 'the proclivity to marginalize and underplay the calculative, impersonal, and self-aggrandizing features of noncapitalist societies' (Appadurai 1986: 11; see Myers 2001 for another set of papers questioning the gift-commodity opposition). A further way to break down artificial separations is to examine the importance of gifts in industrial economies (see for example, Carrier 1995; Cheal 1988; Miller 2001).

Social forms and historical processes

Part of the enduring appeal of Mauss's synthesising work on the gift lay in its stress on the complex social character of gift exchanges. He pointed out that these transactions may concern 'the whole of society and its institutions' or they might be the concerns of individuals, setting up the equivalent of contracts between them. In either case 'these phenomena are at once legal, economic, religious, aesthetic, morphological [that is, having to do with the formation of social groups] and so on' (Mauss 1954 [1925]: 76). We would certainly wish to add 'political' to Mauss's list. Correspondingly, it is often the case that an ethic of giving and receiving is pervasive in social relations generally in those societies in which ceremonial exchanges take this 'total' form. In Mount Hagen, for example, the practice of asking people for things is well established, and continues in the contemporary context. People ask each other for bits of tobacco or cigarettes, for food, for small amounts of money on credit or on a loose reciprocal basis. A constant flow of demands accompanies social interactions. Not all demands, however, are acceded to; in other words, there is no absolute obligation to give, and people have well-developed strategies for denying requests. The appropriate excuse is to say that one does not have the thing requested or, if one has it, that it is already promised to someone else. An established device is to keep two tobacco pouches or two money purses, one full and one empty, and to show the empty one to anyone to whom one does not wish to give the tobacco or money. Requests that are met build up debt, and the recipient may eventually repay the amounts given, adding an increment. Small *moka*-style sequences can ensue in this manner.

Within the more formalised realm of ceremonial exchange a number of contexts can be analytically distinguished. First, the exchanges may link groups within a region or across regions. Second, they may co-ordinate the activities of people within a group. And third, they may express relationships between people in networks of interpersonal kin ties, typically in what anthropologists call life-cycle rituals; that is, payments made between kin as part of ceremonies that recognise marriage, the birth and

growth of children, their entry into adulthood, and their eventual death and the disposal of their physical remains along with the transit of their spirit into other realms of being. These different realms of activity may all be implicated in a given large-scale event; or they may be separated out, but still intrinsically linked together in the total pattern of circulation.

The Trobrianders, originally studied by Malinowski and later by Annette Weiner among others, can exemplify this point. We draw here on some materials from Weiner's study, because its details revise or modify Malinowski's findings. The Trobrianders determine group membership in terms of matrilineal descent, reckoned through females up to the ancestral brother-sister pair considered to have founded each *dala* or matrilineal unit. Both Malinowski and Weiner pointed out that, nevertheless, the father's role is very important, and before a child is born the father is expected to build up its body by frequent acts of intercourse with his expecting wife (Weiner 1988: 57). Fathers help to find food for their children, but in particular they are 'responsible for enhancing their children's beauty' (1988: 59). This they do by making gifts of shell decorations and by making beauty magic (which they may themselves have had to obtain by trade). The father tries to give a kind of red shell necklace that is considered valuable and that is also used to make one of the two kinds of *kula* valuables (*soulava* or *bagi*) (1988: 60). The father may have to obtain such a necklace through *kula* networks. In other words, this internal gift within the family is linked to the external nexus of male prestige in the *kula*. The father must also find earrings, especially for his daughter, which also have to be obtained through external trade (1988: 60). The child's decorations represent the father's attempt to bind the child to him, and all valuables are thought to have a kind of magical power of attraction (1988: 63).

At the other end of the Trobriand life cycle, when a person dies, a complex series of death exchanges sets in between the matrilineal kin of the deceased and their kin on the father's side. If the father is still alive, he is central in the mourning; perhaps more often, it may be his sister or his sister's daughter who takes on important obligations. One of these obligations is to carry around or wear shell decorations and physical relics such as hair or fingernails representing the dead person's vitality. The relics are placed in cowrie shells, which are then 'attached to a long red shell necklace' (Weiner 1988: 41). A man's daughter may also do this for her father. In the case of the death of the chief Uwelasi, Weiner reports that his father's sister's daughter carried around 'the woven basket that served as his purse' (1988: 48), with his decorations, including the 'youthful red necklace' attached to it. When a man becomes a father, he gives such a red necklace to his daughter. When she marries, she will take this off, marking her transition to the married state (1988: 78). When he dies, she and her

father's sister's daughter carry around the necklace he himself wore, out of respect for his memory. The object thus enters into a whole cycle of family relations (see Hoskins 1998; Kopytoff 1986).

Other exchanges following death also link life-cycle exchanges ultimately with the *kula* system. The matrilineal kin of a dead person are known as the 'owners', and other kin, such as the husbands of female matrilineage members (= father's kin), are known as the 'workers'. Workers perform funerary services for the owners, demonstrating their good will and avoiding any possible charges of having made sorcery against the deceased. The owners reward the workers with yams and betel nuts. In return, the matrilineal kin of each in-married man 'present men's valuables, such as stone axe blades, clay pots, large decorated shells, and sometimes money' (that is, state money) as a kind of compensation for the death (Weiner 1988: 47). The shells and axe blades given are also used in the *kula*. Later again the women of the matrilineage give out large numbers of specially made women's skirts and banana-leaf bundles to the workers for their funeral work. Women obtain large numbers of these items by using their own links through marriage to other kin. This sequence of funeral gifts parallels the gifts in another circuit of exchanges between in-laws. When a woman marries she goes to live at her husband's place, and at harvest time her own kin bring yams to her. The yams are a kind of capital or currency that can be used to pay for services and valuables, as well as being consumed or contributed to feasts. The woman's kin fill up her husband's specially built yam house with these valuable tubers. In return again, the husband is expected to give stone axe blades, clay pots, money and occasionally a *kula* shell to his wife's people. Here too, then, the familial exchanges are linked ultimately to the *kula* network.

Another example of linkage between the domestic level and the external political level of exchange activity can be taken from Mount Hagen. Life-cycle payments in Mount Hagen begin with gifts made to the maternal kin of the child by the father's kin. Formal determination of descent in Mount Hagen is patrilineal (although in practice, arrangements can be quite flexible), and therefore two separate patrilineages are involved here, the father's and the mother's, just as separate matrilineages are involved in the Trobriand case. When a child is born, the father is supposed to plant a cordyline bush in his land and to build a small fence around it. The child's faeces are notionally thrown into this little enclosure to prevent pigs from eating them. Traditionally, the umbilical cord is also buried at this spot. After some two years the child is weaned, and the father should make a gift of pigs to its mother's kin, the *wakl te kng* (the pig for the child's faeces), produced largely from the mother's milk. The child now begins to eat more of the 'paternal' foods grown on the father's land. The prestation

is essentially a return made for the mother's nurturance, and marks the beginnings of the child's adherence to the father's group. Theoretically, it could be a unilateral payment. In practice, it is usually met by a counter-prestation of pigs and pork to the father and his kin. If the two sides wish, they may then build further on this exchange by repeating the sequence with incremental amounts of wealth, turning the life-cycle payments into *moka* exchange. What begins as a familial event is gradually transformed into a political sequence, with more people drawn into it.

Rena Lederman, writing on the Mendi people of the Southern Highlands Province, Papua New Guinea, has used the distinction between interpersonal and intergroup relations in her analysis of gift exchanges. The Mendi themselves recognise this distinction, speaking of interpersonal partnerships as *twem* and intergroup contexts as relations between *sem*, or clans. These two contexts feed into each other (Sillitoe 1979 effectively documents similar processes among the Wola people, north of Mendi). People belong to clans through birth, but they make their own exchange partnerships through marriage ties. Unmarried girls can enter into *twem* before they reach adulthood. Their senior kin within the clan-based community may give them gifts, and when their clan sisters marry they receive pigs. Leading men explicitly invest in younger women, treating them as daughters and giving them temporary use of headdresses to wear at dances (Lederman 1986: 71). They do this to gain access to *twem* relationships via these young women when they marry. Young women themselves give shells and pigs to their unmarried brothers. These gifts are described as *nopae*, a word that indicates that they reflect a principle of increment in gift giving. One aspect of this is that the gifts are unsolicited. In the context of marriage exchanges, when a man obtains shells or pigs from his wife's relatives, he tries later to give back more than he has received, describing this act as giving 'for the body' of the bride, that is, as an extension of brideprice payments (1986: 78).

As Lederman notes, such a principle of increment is comparable to the principle that underlies *moka* exchanges among the Melpa people of Mount Hagen. The principle is perhaps even more entrenched at the heart of the system in Hagen, where it has historically been expressed in terms of theoretically escalating gifts and counter-gifts between clan groups within which leaders or big-men wielded considerable influence. The aim was to give more than had been received, thereby regenerating the cycle of competitive giving by motivating the recipients to make even greater returns later.

The *moka* is a historical system of exchange, whose beginnings certainly predate the first arrival of colonial explorers from Australia, and Lutheran and Catholic missionaries from Germany and America in the 1930s. The

newcomers brought with them considerable stocks of the cowries, bailers, green-snail and especially pearl shells that were highly esteemed by the local people, and they used these to pay for labour and foodstuffs in a way that was unprecedented. Hitherto, work and subsistence were subsumed within kinship-based relationships founded on solidarity and sharing. Shell valuables, by contrast, could be obtained only by trading or through marriage and entry into the *moka* nexus. These restricted channels of entry tended to favour those who were already prominent in the networks of reciprocity. The sudden arrival of a new set of outsiders, seemingly with magical powers and resources, and their disbursement of previously rare forms of shell wealth to anyone who worked for them or brought food in quantities, unleashed a set of processes in which more people entered the *moka*, competition between leaders within clans became more open and intense, and the rivalry between clan groups escalated.

The newcomers included colonial government officers, whose major initial purpose was to put an end to group fighting and institute the rudiments of government control, principally by appointing certain men as their agents (variously called 'boss-boys' or 'headmen') and by breaking up fights and jailing offenders. One of the first projects in each area was to put local people to work building airstrips and vehicular roads. The period of time in which the Hagen *moka* exchanges underwent a rapid expansion and evolution coincided with the first thirty years or so of Australian administrative influence. The *moka* itself became a potent instrument of self-pacification through the mapping of *moka* sequences onto compensation payments for killings.

The way this worked was as follows. Clans were linked with other clans as allies in warfare, often through a process of pairing, underpinned by marriages between the two linked groups. In any given bout of fighting one group would be the first to be involved and was therefore known as the 'root man of the fighting' (*el pukl wuö*). Its ally would come to help it, and if one of the allies fell in fighting, the allied group was known as the 'dead man' (*kui-wuö*). The root man then owed a compensation payment of pigs and shells to the dead man, and would be highly motivated to meet this obligation. Since the two groups were allies, the relationship might operate in reverse on another occasion. The notion of reciprocal exchanges between the two was thus well established. Further, after a compensation had been made, its recipients could decide to make it the basis for *moka* by making a return for it at a later date, with an increment in the numbers of pigs or shells given. Since pigs were an important and enduring part of these exchanges, the sequence would now be called 'along the road of pigs' (*kng nombuklal*). Reciprocity could continue as long as the alliance lasted. The side that had most recently received a prestation

could seek to 'invest' numbers of pigs in various directions, in each case hoping to receive more back, and with the sum return on these investments it could then make *moka* to the other side. Chains and networks of dependency between groups and person thus arose, making the timing of a given *moka* event dependent on other events in a wider field of relations. Hageners referred to this as 'the rope of moka' (*moka kan*) (Strathern 1971; Strathern and Stewart 2000). Because of these arrangements, it can be seen that the system depended on both 'finance' and 'home production' of pigs (Strathern 1969). In so far as leaders were able to dominate and channel the flows of wealth, they would increase their prestige and influence. By the same token, they were often implicitly or explicitly in competition with each other. Intra-clan competition was masked on group *moka* occasions by the assertion that the overall aim was to make the 'name' of the group to 'go on high' (*mbi okla ponom*).

In general, commentators on New Guinea exchange systems have come more and more to stress two points that are important for understanding ceremonial exchange more generally. The first is that flows of gifts and flows of commodities are intertwined, especially since the same items may be gifts in one context and commodities in the next. The second is that this entwinement is not new, but dates back beyond colonial times. For the colonial time periods of the Pacific, Nicholas Thomas's work (for example, 1991) has prominently delineated the 'entanglement' of objects in networks between colonial agents and indigenous peoples (see also Godelier 1996: 98; Jorgensen 1993; Marksbury 1993; Parry 1989; Parry and Bloch 1989). Thomas has been particularly concerned to explore processes whereby cultural practices become 'reified' over time as expressions of 'custom' (Thomas 1991, 1994). In the case of ceremonial exchange systems, however, what is striking about many of them is how they have lent themselves to new contexts, including national parliamentary contests. In these there is an interplay between threats of violence and promises of support, mediated through gifts, much as was the case in the past. When the balance tips more towards violence the system itself cannot be sustained (for studies of change along these lines see, on the Enga area, Feil 1984, 1987; and on gendered processes of change, Sexton 1986; Stewart and Strathern 2002; Strathern 1979; a survey of broad processes of change is in Sillitoe 2000).

A reason that is often given for the disappearance of ceremonial exchange systems is the breaching of what have been called 'spheres of exchange' (Bohannan 1955; see Isaac chap. 1, *supra*). This concept refers to a situation in which ceremonial items of value, sometimes known as 'limited purpose money', are not freely interconvertible but flow in restricted exchanges. Since all such items can in principle be expressed

in terms of state monetary forms once these enter into the circuits of exchange, systems built on spheres of this sort tend to experience radical change when this happens. Robbins and Akin (1999: 8–9) point out that such radical change may induce anxiety in transactors. They also note that we have to take into account the social relationship involved, the modality of exchange (that is, gift exchange versus commodity exchange) and the objects exchanged, in considering how spheres operate or may break down over time. In structured tribal economies there may be valuables that operate across spheres, as was the case in Hagen (Strathern and Stewart 1999) and in Mendi (at least to some extent, Lederman 1986: 85); but certain kinds of transactions are limited to certain social relationships. A classic case is the restriction of barter or trade to relationships external to the clan, with sharing or gift giving the norm inside it (Godelier 1982a, 1982b, 1996). In Hagen, as we have seen, Australian colonial personnel began paying for foodstuffs and labour with valuable shells, thereby altering significantly the total relationship between production and exchange in the society. But, as we have noted, this did not lead to the immediate breakdown of the *moka*, but rather to its historical efflorescence and later to significant and continuous transformations. What the breaching of spheres does seem to do is to introduce new pressures within a configuration of exchange networks. But this is only an example of how historical change is always at work in the ceaseless process of the articulation of economic and political spheres to one another.

Further considerations: cosmos, ritual and change

Ceremonial exchanges have been central to the practices of sociality in the New Guinea Highlands. They have also been strongly affected by processes of change. Nevertheless exchange as a prime means of defining relationships and personal status tends to survive in transformed ways, as when Christian churches encourage people to spend their resources on church-building and evangelical activities and gifts to their church (see, for example, Stewart and Strathern 2001, 2009).

The gift can also be seen as a kind of sacrifice or offering (see Stewart and Strathern 2008). Also, the conceptual obverse of exchange as the means of producing prosperity and peace is found in ideas regarding sorcery, the magic of death and destruction. Sorcery fears bind in-group kin together, but only in terms of encouraging fears of the outside and negating potential ties of alliance. The place of exchanges in creating peace between groups and individual persons is thus made clear (Strathern and Stewart 2011). The complex results of conversion to, and adoption of, Christianity also emerge into focus here (Stewart and Strathern 2009). Ritual theory comes into play: if we think of rituals as a crucial component in exchanges,

what determines whether such rituals are effective or not? Our answer is that this depends on perceptions of the cosmos. Rituals are felt to be fully effective when they are seen as helping to repair a wider cosmic order. Speech-making is a significant part of the whole sequence (Stewart and Strathern 2000), and must be seen as a part of the 'ritual process'. At the same time, pragmatic political aspects of exchanges cannot be ignored (Strathern and Stewart 2007, 2009).

One further theme is worthy of note here: complexes of emotions that are recognised as generating, and as being generated in, exchanges are linked to the cosmos and persist through historical changes. In *moka* these emotions involve *min* (friendship), *popokl* (dissatisfaction, anger) and *pipil* (shame). And although we have previously written of 'the death of *moka*' exchanges (Stewart and Strathern 2005), it is clear that internal exchanges within the broad group of people known as the Kawelka in the Hagen area have been continued, even if the larger *moka* chains that linked many groups together in the post-pacification times of the 1960s have ceased to operate.

Note

1. The passage in his earlier, 1982, book that perhaps led commentators to understand that he did intend such a classification reads 'Things and land assume the commodity form in class-based societies . . . Things, land, and labour assume the gift form in clan-based societies' (Gregory 1982: 100).

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15 Markets: places, principles and integrations

Kalman Applbaum

Reviews of the anthropology of markets have customarily begun by pointing out the distinction between physical marketplaces and 'the market principle', or 'the diffuse interaction of suppliers and demanders' that determines the 'prices of labor, resources and outputs . . . regardless of the site of transactions' (Bohannon and Dalton 1965: 2; see, for example, Plattner 1989). Thus, a periodic, peasant or open-air market on the one hand, and the global electronic futures market for soybeans or eurodollars on the other. This distinction between what has been called 'empirical and abstract markets' (Slater 1993) has been the touchstone for a list of oppositions drawn between types of relations and even mentalities associated with economic exchange beyond markets *per se*: gift versus commodity, mutuality versus impersonal or self-interested calculation, local (place) versus global (placeless) and so forth.

As in other areas of economic anthropology where this classificatory polarity has been reconsidered, recent market ethnographies have tended either to soften or to phase out that division, pointing instead to a bridging or integration of the two kinds of markets. Most have done so not to the exclusion of the notion of a fundamental tension between the two ideal types of markets; rather, the tension itself is problematised and explored in new theoretical language and ethnographic focus.

Globalisation and trade concentration

Increasingly, exchange transactions occurring anywhere in the world can only be understood with reference to external agencies. Bilateral exchanges even in remote corners of the world cannot be understood without reference to the global contingencies and determinants conditioning the exchange.¹ Correspondingly, even global commercial exchanges of the most abstract kind (such as electronic currency transfers) are only relatively more suitable to framing in terms independent of local cultural and political processes.

As primary exchange locations, marketplaces of all sorts are sites of global commercial integration as well as one of the vehicles by which integration is furthered in non-economic spheres. The production of cash

crops, or for that matter craft goods, locally for the world market (for example, Mayer and Glave 1999; Nash 1993; Rosenbaum and Goldin 1997) is the other side of this coin. But this sort of 'commodification',² though significant for considering the organisation of production and other aspects of local life and economy, is not as germane for us as is the physical and spatial reformulation of a given marketplace so as better to serve the manufactured-commodity trade in a corresponding 'mode of exchange' (Lie 1992). The transposition from an assemblage of open-air stalls located in the grounds of a temple and open for business on significant days of a week or month to an enclosed structure with full-time shops that might more closely resemble those found in an urban mall, or the sweeping away of itinerant textile peddlers with movable stands on a pedestrian strip where air-conditioned boutiques are opening one by one, suggests a change of a more fundamental sort in which the medium of exchange, to evoke Marshall McLuhan, becomes part of the commodity itself. Marketplace relocation, reconfiguration and, ultimately, trade concentration illuminate a part of the trajectory of the convergence of marketplaces and market principle.³

The leading researcher and advocate of the study of trade concentration (in conjunction with economic development and mass consumerism in Third-World societies) is Norbert Dannhaeuser (1989, 1994, 1996, 1997, 2004; see also Anand 2007; Lessinger 1988; Matejowsky 2002). Trade concentration, Dannhaeuser (1996: 176) says,

involves the emergence of vertically integrated market channels in the consumer goods sector (dealerships, franchises, branch networks) away from vertically fragmented channels. It also involves a proliferation of increasingly large retail facilities (department stores, supermarkets, hypermarkets, malls, supercentres and so on), often at the expense of small and independent vendors, shops, and family-operated street stores.

The implications of this formulation for marketplaces as structures of exchange, the forms of which affect the content of what, how, among whom and, in many cases, whose goods are exchanged, should be nearly self-evident. There may be no expressive limitations of what style of cuisine is sold at franchised restaurants, for instance, but the economics of food franchising does imply a certain pattern of exchange organisation (that is, buyer–seller relations), location and, possibly, the content of what is sold. This is because franchised restaurants tend to derive their profits from selling convenience and speed. This and other marketing considerations find their way directly into the form of the food sold, such that it begins to make sense to speak of 'industrial' or 'commodity' food (Lien 1997).

Trade concentration also implies a definition of globalisation that incorporates changes to the built environment as being a consequence of commercial generalisation, for which the term 'urban capitalist development' (Lessinger 1988: 141) gives accurate expression. Indeed, for Dannhaeuser and others who focus on this subject, trade concentration at once implies globalisation (bridging differences between urban areas) and a lessening of rural–urban market distinctions.

The appearance of a shopping mall does not necessarily result in the demise of older, less-profitable, perhaps less-alienated types of exchange outlets. On the contrary, these outlets are typically drawn into competition with the newer venues, and are thereby incorporated within the market ecology of the newer forms. Open-air marketplaces, their customer base as well as their traders, can come to represent a peripheral niche 'in constant competition, or permanent metabolic exchange' (to borrow Ernest Mandel's (1972: 47) expression describing primitive and capital accumulation) within the larger market system that is dominated by international commodity-type transactions. They are not, in Mandel's words again, 'successive phases of economic history but also *concurrent* economic processes' (1972: 46, original emphasis).

Marketplaces may be 'peripheralised' economically and geographically and their customer base and traders can correspondingly be marginalised. Deborah Kapchan (1996: 34) describes a Moroccan *suq*:

The suq has already moved once in Beni Mellal to accommodate town expansion and remain on its outer limits . . . Town officials plan to move the suq once again – this time well beyond the limits of town so there is no risk of habitation encompassing it again . . . This impending move is symbolic: distancing the traditional institution of the itinerant weekly suq will act to separate the emergent middle and upper middle classes, who prefer boutiques and who can afford to pay the higher prices of the neighborhood greengrocer, from the lower echelon of society who buy used clothing and rely on price negotiation to economize every penny.

As an addendum to marginalisation in Kapchan's case, as in other studies, it is observed that in the context of various global economic pressures, such as structural adjustment policies (itself a child of market principle or, per below, market model), and mediated by dominant gender ideologies within the division of labour in different locales, 'more women turn to market vending for purposes of survival and poorer members of society find they can only afford what is sold by informal market women' (Seligmann 2001: 21).⁴

A final consideration on the subject of trade concentration concerns the vertical integration of the corporate marketing distribution channel.⁵ This locomotive of industry and capitalist expansion is not the only cause

of trade concentration and the interconnecting of markets around the world; however, it is an important factor that anthropologists have tended to ignore. Again, Dannhaeuser (1985: 194) observed on the basis of his research in India and the Philippines:

The distribution of industrial consumer products . . . play a far from passive role in their relations with retailers. Large firms actively try to push products down the channels, and while doing so, they affect the nature of the retail structure . . . Power becomes focused in the upper channel levels, and once these supply firms [shift] toward mass marketing, many of them are led . . . into active distribution and a desire to control product flow into intermediate [sized] towns.

To convey a direct sense of how corporations' strategic aim to purvey their products through channels (including marketplaces, or what marketers sometimes call 'points of purchase') in developing countries leads to the alteration of the contours of those places, I quote a manager at a transnational household-care products company (Applbaum 2000: 273). He was explaining his firm's activities in Mexico over the course of several years while he was 'country manager':

I would have to say in general that we began by adapting to the local distribution system more than we brought innovation to it. I think we did encourage, by demonstration, some learning for our Mexican counterparts. Where we are concerned, obviously the more self-service distribution is the better it is for us because that way we are dealing with fewer customers and the product is on the shelf for the consumer to choose. So we tend to promote those chains of distribution more than the traditional wholesaler, the mom and pop store . . . I guess in Mexico we have done a lot of work helping the club stores come in, particularly Sam's and Price Club, so that indirectly has changed the distribution in Mexico . . . We have those relationships [with Sam's Club, Price Club] up here and then follow them down there. We have been working with other stores to get going – so we encourage channels that we work better with to grow.

Another manager from the same company working in Puerto Rico explained to me how the scanning technology in US grocery stores provides a big advantage to the manufacturers because where there are scanners, the shoppers can use coupons and other devices that the manufacturer distributes according to its perceived advantage:

All these sophisticated vehicles, like the electronic loyalty programs, frequent shopper cards, all this intelligent information about consumers to reward them or if they buy a competitor's product to coupon them at the checkout counter. That's non-existent here. Without that tool, it gives the retailers a lot more power because you can only depend on the retail trade to push your product.

The significance of the first trend, the growth in market share of the giant-sized club stores as against the previous distribution arrangements, lies in the fact that the configuration of the local market is altered to make life simpler for the foreign manufacturer. The common pattern is from small to large retail, personal to self-service, and urban to suburban location. Often, foreign ownership grows directly in the ownership of the facility itself and indirectly through the products sold there. The second example illustrates how installation of a distant manufacturer's information technology system is likely to alter merchandising patterns beyond the retail outlet itself. To the extent that a firm can retrieve data from the point of sale, it can supply the proper amount of product to the retailer as well as possess important market information about the buying patterns of customers. Both examples help demonstrate the managerial agency at the back of the integration of markets. The visible linkage between a North American manufacturer to marketplaces in Mexico and the Caribbean brings us to another kind of bridging that takes place through the medium of the market, namely, the separate and sometimes long-distance relationship between sellers and buyers.

Commodity chains and the 'supply-market-demand complex'

Anthropologists studying markets have long considered how the type of commodity can affect the structure of trade in, and in relation to, the market (for example, Schwimmer 1979; Trager 1981). Others have described how trade in particular commodities is dominated by specific ethnic groups (for example, Alvarez 1994; Cohen 1969; see Eriksen chap. 22, *infra*). With the introduction of a renewed focus on the commodity from both cultural (Appadurai 1986; Ferguson 1988; Kopytoff 1986) and world-systems or political economic (Gereffi and Korzeniewicz 1994; Haugerud et al. 2000) approaches, and with the urging of 'multi-sited ethnography' (Marcus 1998) suitable to an age in which 'global flows' are characteristic of many areas of experience, not just economic (Appadurai 1996), studies of the market have themselves begun to integrate vertically, by theorising both upstream (supply chains) and downstream (the culture of demand) activities.

One attempt to assimilate these ideas into a project with globalisation in mind is Theodore Bestor's Tsukiji Market sushi research (1999, 2001, 2004). From the point of view of the world's largest fish market – 1,677 stalls, 2,000 categories and subcategories of 2.8 million kilograms of seafood daily, 50,000 customers and traders daily, about \$6 billion worth of fish sold annually – it is not difficult to see why Bestor (1999: 205) describes Tsukiji as 'the focal point for thousands of distinct commodity chains' and 'a central node for the global seafood trade'. Following the

bluefin tuna trade from specific harvesting locations in New England, the coast of Trafalgar, and then back to Tokyo, he is able to convey a sense of the immediacy of the global dimensions for this prized fish. Bestor (2001: 79) describes an isolated Bath, Maine, dock scene at dusk. About 20 buyers from as far south as New Jersey, half of them Japanese, crowd around three tuna,

extracting tiny core samples to examine the color, fingering the flesh to assess the fat content, sizing up the curve of the body to guess what the inside of each fish would look like when cut open, and checking carefully the condition of the bodies for damage from harpoons or careless handling.

After a short period, the Japanese buyers return to their trucks to call Tokyo on their cell phones to get the morning prices for bluefin tuna at the Tsukiji market, which has just finished its auctions for the day. On the basis of this information, secret bids are submitted to the dock manager and the deals are closed. The fish are packed in ice and loaded in the back of trucks that head for JFK airport in New York, 'where the tuna will be air-freighted to Tokyo for sale the next day' (2001: 80).

In his ethnography of the wholesale fish market itself in Tsukiji, Bestor (2004) describes how it mediates between supply and demand in two dimensions: (i) with respect to dealings between institutions of diverse size and complexity, such as family enterprises and large corporations, and (ii) the specific cultural values that, as he puts it, transform fish into food. In this Bestor learns from Marshall Sahlins's illustration of the 'meaningful calculus of food preferences' (1976: 171) being 'the symbolic logic which organizes demand' (1976: 176) in the market for meat in the United States.

Fish are differentiated into culturally relevant categories of commodities as they pass along channels of distribution leading to and through the complex social institutions of the marketplace. Fish become commodities in the hands of traders whose calculations of value and utility are shaped by principles of Japanese culinary logic. (Bestor 2004: 129)

There could hardly be a more apt locale than Tsukiji to illustrate the convergence of market principle and marketplace. The scope, scale and, hence, economic force of Tsukiji evokes many of the abstract mechanisms favoured by neoclassical economists when they speak of markets, including rational pursuit of profit maximisation, anonymity and subordination of individual agency to price as determined by supply and demand. On the other hand, the historical significance of the land on which the market is situated (Tsukiji means 'built land'), the 'visible hand' governance structure of Japanese trade,⁶ and the well-known cultural specificity of

Japanese consumers' predilections in fish are all traits that embed Tsukiji into the local landscape.

The particular agency of traders, marketers and other intermediaries in the fashioning of taste forms an important component of the supply–market–demand complex that anthropologists are progressively pursuing. Traders, particularly in the situations of long-distance exchange that typify contemporary market activities, are not best thought of as passive purveyors of goods, as the expression 'middleman' or 'go-between' might imply. Instead, as Christopher Steiner (1994) has argued in his study of art traders in Abidjan, in Côte d'Ivoire, long-distance trade provides opportunities for the creative obfuscation of the true nature of the article traded, to the advantage of the trader. Steiner is reporting on the market for (West) African art in Abidjan and ultimately beyond (his research is portrayed on film, in Barbash and Taylor 1993). In this case, even more than tuna to the sushi-loving Japanese, the highly symbolic freight of the commodity itself invites complex variabilities that influence the structure of trade and expand the role of the traders to that of 'cultural brokers' in the processes of acquiring and selling the objects:

Because the merchandise the traders buy and sell is defined, classified and evaluated largely in terms of Western concepts such as 'art' and 'authenticity', the traders are not only moving a set of objects through the world economic system, they are also exchanging information – mediating, modifying, and commenting on a broad spectrum of cultural knowledge. (Steiner 1994: 2)

Although Bestor and Steiner consider the cultural attributes of both the supply and the demand as they impinge upon the immediate context of the commodities and the marketplaces in which they are traded, neither they (and this is not intended as criticism) nor others seeking to accomplish similar global aims investigate the mechanisms and consequences of the systematic or planned long-distance separation of supply and demand as represented by producers and consumers. In Bestor's and Steiner's studies, globalisation is rather seen to exert a connective and technical amplification of what are essentially mercantile exchanges of the sort that have long existed (see, for example, Curtin 1984).⁷

For theorists of capitalism the puzzle of correspondence between cultures of supply and demand is not new. The broad characteristics of the 'consensual hallucination' (Gibson 1984) between the 'system of advertisements' and the 'system of needs', as Jean Baudrillard (1998 [1970]) framed it, was spectacularly theorised by several schools, from the Frankfurters to the French Situationists and neo-Marxists, and in anthropology by Marshall Sahlins (1976) and Louis Dumont (1977). It may not have been until Sidney Mintz's *Sweetness and power* (1985) that we had an empirical

example of how the organisation and culture of supply joined up with conditions and potentialities of demand in the creation of a pre-industrial capitalist market that spanned an ocean.

The linked study of supply and demand in the capitalist system seems to beget both overstatements and underestimations of agency among market actors, for instance corporate marketers. Their strategic plans for expansion may be backed by huge budgets and cogent theories of managerial practice, and yet they may meet their match 'in the market' in the unpredictable, determinative will of consumers (Foster 2008). The work of moving goods from a primary producer to an ultimate user is fraught with the complications of physical, economic and moral-semiological transport. The supply chain is characteristically long in global commerce, and the longer the chain the more conveyance depends on alignment and agreement concerning the conception of the use, need, want and aesthetic of the object in question. New thinking about how long-distance market relations constitute moral, cultural and political worlds, and are in turn constituted by them, remains an important challenge in the anthropology of markets.⁸

The market model and its expansion: market-led development, post-socialism and financial marketisation

In so far as empirical and abstract markets represent different orders of phenomena, it would be impossible to argue their convergence unless one could show how the abstraction of the market principle is being adopted as a model or blueprint for organising circulation and provisioning in places where a different pattern had prevailed. The market principle in this case emerges as a specific cultural theory or ideology rather than a universal truth.

To begin, it will be necessary to cite a definition of market economy to provide a baseline of what is commonly regarded as the target for analysis when one speaks of the adoption of the 'market model' (Carrier 1997). Selecting a definition, however, calls for separating critical and normative perspectives. Anthropologists and other dissenters tend to focus on the market model's non-economic assumptions or factors, which are slighted by the model's literalist interpreters and supporters. The basic poles of the debate are the strict neoclassical-economic understanding of markets as autonomous on the one hand, and on the other understandings that revolve around concepts like moral economy, embeddedness, political economy and market ideology. The differences between these two poles have been recapitulated in many places in and out of anthropology (for example, Carrier 1997; De Neve et al. 2008; Dilley 1992; Friedland and Robertson 1990; Gudeman 2008; Lie 1997). Economic anthropology's

elemental concern to see economic behaviour in terms of its political, social and cultural context, which dates at least to Malinowski's writings on the *kula* (1922; see Strathern and Stewart chap. 14, *supra*), gives the discipline concepts for considering the cultural specificity of the market model.⁹

However, as a conscious project it appears to have taken its inspiration from the work of a maverick economic historian, Karl Polanyi (1957b [1944]; see Isaac chap. 1, *supra*), who likewise inspired sociology to challenge neoclassical assumptions about the market. Polanyi's work, particularly 'The economy as instituted process' (1957a), has been blamed for sparking the formalist–substantivist debate (Hart 1990; Wilk and Cliggett 2007), and his account of 'the great transformation' to 'market society' has been strongly criticised (for example, Macfarlane 1978; a contemporary reappraisal of *The great transformation* is in Hann and Hart 2009). However, Polanyi's depiction of the free-market ideal as a utopian liberal project was both original and inspirational to many subsequent writers who have questioned the wisdom of what Dilley (1992: 14) has described as 'the deployment of the market metaphor' around the world. I present an abbreviated definition of Polanyi's (1957b [1944]: 68–9) market economy, as follows:

A market economy is an economic system controlled, regulated and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism . . . Self-regulation implies that all production is for sale on the market and that all income derives from such sales. Accordingly, there are markets for all elements of industry, not only for goods (always including services) but also for labor, land, and money . . . A further group of assumptions follows in respect to the state and its policy. Nothing must be allowed to inhibit the formation of markets . . . No measure or policy must be countenanced that would influence the action of these markets. Neither price, nor supply, nor demand must be fixed or regulated.

Polanyi also examined some of the human and moral assumptions of this market economy, such as that individuals will always attempt to maximise their monetary gains and so on. The abbreviated definition emphasises (i) the autonomy of the market, (ii) that all factors of production, including land and labour, be marketable and, therefore, (iii) the relation of the state to the market should be characterised by *laissez-faire*. Since (i) and (ii) are patently untrue for the types of markets anthropologists have traditionally studied, the normative proposal of (iii) seems unnatural, even dangerous. As Carrier (1997: 33) exhorts, 'Even though the Market model decrees that the market should exist outside of politics, the Market model itself does not. It is a self-definition with profound political correlates and consequences'.

Anglo-American triumphalism over the failure of the command-economy model in the former Soviet Union and its European satellites has brought the ideological component of the free-market model well into view. The renewed free-marketeering era that began during the administrations of Reagan in the US and Thatcher in Britain has snowballed into a forceful boast about the universal rationality and good of the free market (such is the tenor of much of the opposition to the World Trade Organization). It is amidst this recognition of the ideological force of the market model that anthropologists have undertaken to document and analyse ethnographically the institutionalisation or operationalisation of the model in the former command economies and in certain sectors of the Third World.

The key to pursuing the application of the market model to new environments lies in the recognition that “‘The market’ confronts people in diverse contexts and is not experienced as a purely economic phenomenon: it might appear as a rural privatisation programme, advertisements for Western cigarettes, daily observations of growing inequalities in poverty and nouveau wealth, or the sudden visibility of prostitution’ (Mandel and Humphrey 2002: 1). An example of experimentation with market mechanisms is reported in Ellen Hertz’s ethnography of the Shanghai stock market (see Maurer chap. 11, *supra*). While it is Hertz’s (1998: 11) contention that ‘the hegemonic pressures of global capitalism have helped to bring China’ to mimic the Western institution and open the Shanghai market, in the final analysis the institution reflects Chinese ways of distributing wealth, knowledge and power (see also Smart 1997).

What distinguishes the Shanghai stock market from stock markets internationally – although this distinction is a matter of degree and not kind – is the fact that the interpretive framework through which Shanghainese read their stock market is firstly political, and secondly, if at all, ‘economic’. We might say that the Shanghai market is primarily subject to a third form of fetishization, the fetishization of the state. (Hertz 1998: 23)

Hertz’s book may be one of anthropology’s chief contributions to current political debates, as members of the discipline stack up evidence of the idiosyncratic nature of the application of the market model in different locales, so as to bring self-consciousness and caution to the prevailing zeal for free marketeering. The highly balanced accounts of ‘market cultures’ in Hefner’s (1998) collection of that name or Mandel and Humphrey’s (2002) collection of ‘ethnographies of postsocialism’, which further the task undertaken by many of Dilley’s (1992) contributors, invite us to attend to situations ranging from the moral sensitivities of traders in a Bulgarian sectoral market (Kaneff 2002) to the welfare of collective state-

farm livestock herders under privatisation reforms in Mongolia's 'Age of the market' (Sneath 2002), to the consequences for national cultural identity of the competition among West German publishers to capture the lucrative media market of the former GDR (Boyer 2001). The seamless-ness of the continuum represented in such studies between marketplaces and market principle demonstrates once again the convergence in contemporary anthropology of these once separate spheres of inquiry.

Lastly, and in addition to the extension of the market model to the former command economies just mentioned, several ethnographies have also described how that model has deepened its hold on economies in countries such as the United States, and in particular in the realm of financial markets (see Part VII *infra*). This focus is particularly welcome in light of the claim that 'market fundamentalism', which is adherence to the self-regulating market ideology that Polanyi warned us about nearly three-quarters of a century ago, was a principal culprit in the great liquidity crisis and financial collapse of 2008.¹⁰

Like Hertz's ethnography of the Shanghai stock market, Karen Ho's (2009) ethnography of Wall Street, *Liquidated*, seeks to ground 'the supposedly abstract market' of the New York Stock Exchange in the 'particular institutional cultures' of Wall Street investment banks (2009: 11):

[E]veryday practices and ideologies of investment bankers . . . continually set the stage for Wall Street's possible liquidation – and reconstitution. Yet this insight is rendered invisible precisely because Wall Street investment bankers as well as academic and popular analysts of finance often resort to an abstraction they call 'the market' to explain these crises. Junk bonds, merger crazes, internet bubbles, highly leveraged housing meltdowns, and subprime debacles are mistaken for, and understood to be the organic results of, market cycles (what goes up must come down) with a dash of greed and hubris as human nature thrown in. As such, the construction of booms and busts are simply conflated with 'the market' and are not understood as arising from the particular workplace models, corporate culture, and organizational values of Wall Street financial institutions (investment banks in particular) or the specific and personal experiences of those who work for them.

Ho's wish to re-embed the supposed 'flux, instability and gyrations' produced by finance regimes (David Harvey, quoted in Zaloom 2006: 3) in bankers' 'daily, embodied practices and models' (Ho 2009: 31) and culture is common to other ethnographic portrayals of financial markets (for example, Abolafia 1996; Miyazaki 2003; Zaloom 2006).

At the back of most of these studies is the view that the calculative reason that seems to reach its pinnacle in financial-market behaviour arises not from the unleashing of innate human self-interest, rationality or the 'disposition to truck, barter and exchange', in Adam Smith's famed

expression, but from competitive practices accentuated in that domain. As Stephen Gudeman (2008: 12) pithily argues, 'the trading experience nurtures calculative reason: competitive, anonymous trade yields homo economicus'. Specifically, Gudeman (2008: 124ff.) links different modes of reasoning to different kinds of money use: analogy, metaphor, substitution and calculation. Unlike other kinds of currency (community and commercial), financial money operates as both the means and the end of its exchange; it is 'the instrumentality of itself' (2008: 136). Calculative reason predominates in this quantitative for-its-own-sake sphere of exchange.

On the wings of the spread of the financial industry's managerial modus operandi to the rest of corporate America (Ho 2009), fiscal discipline programmes and lending for market-led development promoted by international monetary and trade agencies, and through the drive by finance capital to seek higher rates of return, the financial market and its characteristic mode of calculative reasoning 'not only colonizes other spheres but also debases them in the sense of drawing a return from them' (Gudeman 2008: 137). The behavioural logic naturalised by finance-capital markets also seems to reinforce the seductive, and now politically saturated, global imaginary of the trans-historical, trans-cultural, self-regulating market. This view holds that with consumer choice, unencumbered by moral or political restraints, the market will efficiently, innovatively, profitably and, ultimately, equitably enrich its adherents and provide for all their needs and wants.

I wish to conclude this section with a cautionary note. In the work I have described, as in many works by anthropologists influenced by Polanyi, it is easy to find an implicit lament over the negative impact of the expanding, 'colonising' market principle (see Hart chap. 10, *supra*). I would not disavow this position in regard to the subjects of my own current research in pharmaceutical markets, marketing and global health (for example, Applbaum 2009a, 2009b). However, it is important to note that anthropologists see social relationships, identity and value (commercial and ethical) as being forged through exchange of every kind, not just reciprocity or sharing.

An illustration of this perspective is in the introduction to an ethnography of Bangkok's integration into the global capitalist economy, by Ara Wilson. She (2004: 8) advises:

As the tourist attractions of the floating market and Sampeng Lane illustrate, the effects of global capitalism are often registered as a loss of the social and cultural dimensions of economic realms. The implicit contrast between a multinational chain store and a floating market implies that modern commerce diminishes the intimate texture of public economic realms. *The intimate economies of Bangkok* challenges these assumptions by revealing the intimacy within

modern global capitalist venues . . . [I] show [how] intimate identities and relationships, specifically gender, ethnicity and sexuality, have been and continue to be centrally involved in the operations of modernizing markets.

Conclusion

The linked dichotomies of place versus placeless, rural versus urban, personalised versus alienated and traditional versus modern, all summarised by the oppositional categories of empirical versus abstract market, are less useful today than they once may have been for the analysis of markets and marketing systems. If we live in the age of global market integration, then markets of all kinds exist on a continuum with each other; each articulates in its unique, locally embedded fashion with the world economy under the umbrella of what Wilk (1995) has called the 'global system of common difference'. The meat (or fish, in Bestor's case) of anthropological analyses of contemporary markets lies in discovering and interpreting the complexity and consequences of these articulations.

The three frontiers of convergence in anthropological market studies I have presented – of trade concentration and vertical integration, of the supply–market–demand complex and of the application of the Western free-market model to new locales – by no means exhaust the catalogue of new areas of research to which anthropologists interested in markets have turned their attention. Three additional promising areas that come to mind include historical anthropological research (for example, Carrier 1994; Larson and Harris 1995); gender in the market (for example, Kapchan 1996; Seligmann 2001); and state–market relations when government development policies lead to cultural contradictions and the appearance of alternative forms of circulation (for example, Clark 1988; Cohen and Dannhaeuser 2002).

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Notes

1. Thus does Anthony Giddens (1990: 64) define globalisation: 'the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. This is a dialectical process because such local happenings may move in an obverse direction from the very distanciated relations that shape them'.
2. There is a varied literature on the topic of commodification or commoditisation. In this instance I am employing the term as Keith Hart (1987: 82) uses it, to mean 'greater reliance on markets' and manufactured commodities for household provisioning.
3. For an analysis of the relationship between built environment and shopping, see Sherry (1998).
4. This does not mean that everywhere women market traders are associated simply with economic marginalisation and inferior work status (see, for example, Alexander

1998; Babb 1989; Clark 1994), much less a loss of agency, as is often implied by world-systems discourse. Seligmann (2001: 4–5) helps clarify: ‘Women become vendors, rather than pursuing more lucrative occupations, for many reasons. For instance, men often monopolize or jealously guard employment in better-paid work; it is thus easier for women with little capital to pursue vending. Lineage and inheritance dynamics may also encourage women to enter marketing. Furthermore, jobs with more flexibility, like trading, enable women to combine their household and work responsibilities: as vendors, they may already have rights to certain kinds of crops, especially perishable food products within the household economy, that they can market. However, ambivalence may surround these women’s economic activities if their incomes begin to surpass those of men and if they gain access to their own capital rather than depending on male kin to supply it. The economic fertility associated with capital accumulation is considered to be appropriate for men, not women, whose work should be primarily directed toward biological reproduction and economic reproduction of the household’. The key terms in this incomplete inventory are flexibility, perishable food products and no capital accumulation, all of which evoke the economy of the peripheralised market.

5. Vertical integration exists when a firm owns both the source of production (‘upstream suppliers’) and the distribution capabilities (‘downstream buyers’). The result of such integration is a vertical marketing system defined, in turn, as a distribution channel structure in which ‘producers, wholesalers, and retailers act as a unified system. One channel member, the channel captain, owns the others, or franchises them or has so much power that they all cooperate’ (Kotler 2000: 505).
6. As regards governance structures, Bestor (2004: 192) subscribes to a New Institutional model that posits that ‘economic institutions emerge from the effort to minimize transaction costs’.
7. The contrast between the conventional anthropological study of traditional market-places and an anthropology of markets of the sort that concern me here is evoked by the relative rarity with which one encounters an ethnographic analysis of a Walgreens or a Marks & Spencer or a Mall of America. The work of James Watson (1997), Daniel Miller (1998), Jackson et al. (2000) and some others are partial exceptions, but only partial because they tend to focus mainly on consumption, on consumer cultures as against those of marketers (Applbaum 2003). Demand, in other words, has been taken as cultural, but not supply, which is seen as a consequence of demand or has been relinquished to economics and political economy. A third strand of work, which focuses upon strategic marketing at the point of sale as part of larger corporate marketing programmes, does not redress this imbalance (see Creighton 1991, 1994; Sherry et al. 2001; contributors to Sherry 1998).
8. Contributors to de Neve et al. (2008) explore reactions to the geographical separation of supply and demand, the ‘disembedding’ of shared political or social space between consumers and producers, such as ethical consumption movements and corporate social responsibility initiatives that ‘admit working “in and through” the market, while at the same time seeking to imbue the market with new values and a new ethic’ (2008: 24).
9. And a motivation. Dilley (1992: 7) observes: ‘Anthropologists have often worked among people whose moral universes are conceived as *sui generis*. Their modes of social organization occupy a different order of organization from that of the state and the market. Both market and state are seen as factors external to the mode of social organization of their subjects, and these factors constitute agents of moral disintegration and outside interference’.
10. See essays and comments in *Anthropology Today* (November 2008, February 2009 and April 2009) for some anthropological perspectives on the crisis in the financial markets. See also <http://blog.theasa.org/>.

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16 The gift and gift economy

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Gift giving constitutes one of the most important modes of social exchange in human societies. The give-and-take of gifts in everyday life creates, maintains and strengthens various social bonds – be they co-operative, competitive, or antagonistic – which in turn define the identities of persons. A scrutiny of the gift and the gift economy, therefore, may provide us with an effective and unique means of understanding the formation of personhood and the structure of social relations in a given society.

It is almost impossible to establish a universal typology of gift activities because the world of gifts is both complex and diverse. Given that some gifts are offered in ritualised occasions while others are not, a basic distinction can be made between ceremonial and non-ceremonial gifts. The most common examples of the former include gift activities in rites of passage and holidays, such as weddings, funerals and Christmas, while an occasional gift offered to a helper to express gratitude or some regular exchange of presents among family members or friends may be considered as non-ceremonial gifts. Ceremonial giving can be extremely elaborate and constitutes an important social event in its own right, such as the famous *kula* ring in Trobriand society or the potlatch among the northwest native Americans (see Strathern and Stewart chap. 14, *supra*). Although highly institutionalised and ritualised, ceremonial gift giving is by no means static; instead, it may evolve rapidly in response to social and market changes. A good example in this connection is Christmas giving, which has developed from a moderate and familial activity in Euro-American societies to an elaborate institution of gift exchange across kinship and class boundaries that, as part of the globalisation process, had shown a tendency to become a global phenomenon by the end of the twentieth century (see Miller 1993; Waits 1993).

Another way to classify gift activities is to look at the agency of social actors: do two persons exchange gifts on behalf of the respective groups that they belong to, such as family, lineage or village community? Or, is the gift exchanged between two autonomous individuals? The custom of bridewealth is a good example of collectivist giving and, by contrast, most gift activities in contemporary Western societies occur between two autonomous individuals.

Bridewealth commonly refers to the property transferred from the

groom's family or kin group to that of the bride; it serves to validate a marriage agreement and the transfer of the rights over women from one family to another and is often used by senior men to establish future marriages for the male siblings of the bride. The material content of bridewealth varies from one society to another, but usually it requires items that are most valued locally. In much of Africa, the traditional measure of bridewealth has been cattle in a fixed number, and it often takes the collective effort of an extended family or kin group to provide the required amount of valuables. In a classic description of the Nuer in East Africa, Evans-Pritchard (1940) showed that the standard amount of bridewealth is forty head of cattle. The groom's kinsmen sent these animals to the bride's family in several instalments; then the bride's father was obligated to distribute these cattle among the relatives of his side and the bride's mother's side, while retaining the largest share for himself. Because the bridewealth comes from and goes to a host of families on both sides, the giver and recipient represent two collectivities, and the gift process helps to establish affinal alliances between two kin groups. Consequently, the divorce of a couple will also have far-reaching implications on these two kin groups.

In general, most collective gift-giving activities are institutionalised and ceremonial because collective identities and group interest are at stake, while most individualistic gifts occur in non-ceremonial occasions. But there are exceptions. The exchange of *kula* valuables is an institutionalised ceremonial activity but remains as a highly competitive enterprise wherein individuals act as free agents. On the other hand, the offer of an engagement ring in contemporary Western societies is a highly ritualised and institutionalised act of individual giving.

Looking at the context of social relations, we can see a distinction between horizontal and vertical gift exchange. Horizontal exchange occurs among social equals while vertical exchange cuts across the boundaries of social status; but the two types of gift activities may co-exist on some occasions. Taking the Christmas gift giving as an example, the horizontal exchange of gifts among friends, classmates and co-workers goes on together with the vertical exchange of gifts between employers and employees, patrons and clients, hosts and service providers and, to a lesser degree, between senior and junior generations in a family or kin group. Given the implications of inequality and hierarchy that are inherent in most cases of vertical gift giving, a unilateral and downward flow of gifts often plays an important role in the formation of political authority and power, such as in the cases of the Melanesian big-man and the Polynesian chief (Sahlins 1972; see Strathern and Stewart chap. 14, supra).

Gender is another important dimension in the world of gifts. Many earlier studies of gift giving in non-Western societies seem to be gender

blind because they tended to focus on institutions of ceremonial exchanges in public life where women were thought to play only a trivial role. Annette Weiner's study of the Trobriand Islands represents one of the first significant breakthroughs, for she argues that women there are by no means the object of gift exchange among men; on the contrary, women play an autonomous and crucial role in certain ceremonial, public exchanges, such as the mortuary exchanges in which women distribute women's wealth, banana-leaf bundles and skirts, to both female and male funeral guests. By so doing, women reclaim their unique role in the matrilineage and restate matrilineal solidarity (Weiner 1976, 1992; see also M. Strathern 1988). It is interesting that, while scrutinising the circulation of *kula* valuables among competitive males in Trobriand Island, Malinowski did not notice the equally important and elaborate exchange of women's wealth which takes place in the public sphere as well, though he carried out his fieldwork some sixty years before Weiner. In contemporary Western societies, women not only give more gifts but also receive more than their male counterparts (Caplow 1984; Cheal 1988), and giving is regarded as an essential part of a feminised ideology of love (Cheal 1987). How to assess women's dominant role in gift giving, however, remains a debatable issue. As Aafke Komter (1996: 120) notes:

Gift giving by women is embedded in a network of social expectations, norms and rules regarding their societal rights and duties and their position within the family. This embeddedness of feminine generosity in persistent patterns of social inequality between genders suggests that women, gifts and power are somehow related to each other.

The economic implications of giving are enormously far-reaching in developed countries as well as in small-scale and pre-industrial societies. Malinowski has long argued that the motive that drove Trobriand Islanders cannot be explained in terms of materialistic self-interest. Instead, they produce extra yams so that the harvest may be given to exchange partners, chiefs, and eventually rot in storehouses for the sake of earning prestige. Similarly, they actively participate in the inter-island *kula* exchange primarily to obtain the armshells and necklaces that are renowned but have no practical value (Malinowski 1984 [1922]; Weiner 1992). The exchange of *kula* valuables therefore constitutes the very foundation of such prestige economy in Trobriand society. The cattle complex in Africa is similar, for the production and exchange of cattle are mostly for social, political and ritual purposes, and people have an exaggerated and emotional personal attachment to their animals (Evans-Pritchard 1940). Gift exchange may be seen as a different type of economy even in the narrowest sense of the term: Christmas gifts account for several billion

dollars worth of business in contemporary American society (Waits 1993) and the villagers in north China spent nearly 20 per cent of their annual income on gift giving (Yan 1996).

Although not the first to examine the world of gifts, Marcel Mauss laid out the theoretical foundation for the anthropology of the gift when he published *The gift* in 1925. He notes that gift exchange is characterised by the obligations of giving, receiving and returning. Chief among the three obligations is that of the returning; hence the primary question: 'What force is there in the thing given which compels the recipient to make a return?' (Mauss 1967 [1925]: 1). Mauss finds his answer in the Māori concept of *hau*, a mystic power that lies in the forest and in the valuables (*taonga*) given by one person to another. The *hau* always wishes to return to its place of origin, but can only do so through the medium of an object given in exchange for the original gift. Failure to return a gift, therefore, can result in serious trouble, including the death of the recipient. It is the *hau* in the gift, Mauss asserts, that forces the recipient to make a return, and he calls this 'the spirit of the gift' (1967 [1925]: 8–9). As a result,

one gives away what is in reality a part of one's nature and substance, while to receive something is to receive a part of someone's spiritual essence. To keep this thing is dangerous, not only because it is illicit to do so, but also because it comes morally, physically and spiritually from a person. (1967 [1925]: 10)

The bonds created by gifts are thus the mutually dependent ties between persons. Here we can see that the fundamental issue in Mauss's analysis of the gift is to determine how people relate to things and, through things, relate to each other. As Liep (1990: 165) notes, both Marx and Mauss were concerned with the alienation of people from the products of their labour, which increases with the development of capitalist economy. But unlike Marx, who focused on the system of commodity exchange in modern societies and discovers the secret of surplus value (1976 [1867]), Mauss concentrated on gift exchange in 'primitive' societies and seeks answers from indigenous belief systems. To compare the primitive, personal gift economy with the modern, impersonal system of commodity exchange, Mauss lays out a three-stage, evolutionary scheme. Social exchange begins with 'total prestations', in which the materials transferred between groups are only part of a larger range of non-economic transfers. The second stage is gift exchange between moral persons who represent groups. The final stage is commodity exchange between independent individuals in market societies (see Mauss 1967 [1925]: 68–9).

The reciprocal obligation in gift exchange, the spirit of the gift, the opposition between gifts and commodities and the relationship between the person and things are the four themes in Mauss's work and they con-

tinue to be of central interest to contemporary anthropologists. In fact, it is not an exaggeration to say that economic anthropology itself, as a distinct subfield, has emerged from a long series of debates regarding the nature of the gift in various societies.

The principle of reciprocity

The anthropology of the gift was long dominated by the issue of the principle of reciprocity, which first emerged as a critique of the Maussian notion of the spirit of the gift. Prior to the appearance of Mauss's classic, Malinowski had published his famous ethnographic account of *kula* exchange in Melanesian society and had described in detail the local system of transactions, ranging from the 'pure gift' to 'real barter' (1984 [1922]). Rejecting Mauss's interpretation of the spirit of the gift, Malinowski retracted his category of the 'pure gift' in a later book (1962 [1926]) and articulated the principle of reciprocity to explain the local system of economic transactions. He argued that the binding force of economic obligations lies in the sanction which either side may invoke to sever the bonds of reciprocity. One gives because of the expectation of return and one returns because of the threat that one's partner may stop giving. All rights and obligations are 'arranged into well-balanced chains of reciprocal services' (Malinowski 1962 [1926]: 46). He thus concluded that the principle of reciprocity was the foundation of Melanesian social order (1962 [1926]: chaps 3, 4, 8, 9). In a similar vein, Fortes (1949) emphasised the political function of exchange and reciprocity, especially the formal exchange of gifts between affines, in maintaining social equilibrium between potentially conflicting sectors in Tallensi society in Africa.

Inspired by Malinowski's work, Raymond Firth argued that the concept of reciprocity (locally called *utu*) is a fundamental drive to action among the Māori in New Zealand. The Māori attach great importance to the notion of 'compensation' or 'equivalent return' (Firth 1959: 412ff.). Firth also offers the most detailed and influential criticism of Mauss's treatment of the Māori notion of *hau*. According to Firth, Mauss misinterprets the *hau* by imputing active qualities to it, which Māori people do not recognise; he also confuses the *hau* of the gift with the *hau* of the giver; and finally, he neglects the third party in a given transaction, which is crucial to comprehend the original meaning of the *hau* (see Firth 1959: 419–20; MacCormack 1982: 287).

Mauss's rendering of the *hau* was challenged further by Marshall Sahlins. He criticised Mauss's preoccupation with the spiritual significance of the *hau* and his neglect of its economic significance. 'The meaning of *hau* one disengages from the exchange of *taonga* is as secular as the exchange itself. If the second gift is the *hau* of the first, then the *hau* of a good is its

yield, just as the hau of a forest is its productiveness' (Sahlins 1972: 160). He identified three variables as critical to determining the general nature of gifts and exchange: kinship distance, sociability, generosity. To demonstrate the universality of reciprocity, Sahlins (1972: 191–210) also introduced a tripartite division of exchange phenomena: generalised reciprocity and balanced reciprocity, negative reciprocity.

Because of the reciprocal obligations in the game of gift exchange, the donor may gain prestige and power by transforming the recipient into a debtor; hence the creation of an unequal relationship until a return gift is made. In situations where unbalanced transactions occur, gifts usually pass downward in the social hierarchy because giving is prestigious. The superiority of the giver is believed to be common to gift systems all over the world (Gregory 1982: 47), although the political implications of this superiority varies from actual control over the recipient to the mere prestige of the giver (see A. Strathern 1971: 10). The potlatch among north-west native Americans is often used to illustrate the prestige and power of exaggerated generosity and wealth display by competing chiefs. However, as the aim is to crush a rival chief with excessive obligations that cannot be repaid, the ultimate result of the potlatch, as Maurice Godelier (1999: 58) correctly points out, is to break the chain of reciprocity; hence the self-negation of the principle of reciprocity.

The principle of reciprocity was so frequently employed to generalise about social patterns of gift exchange that it became something of a cliché. As MacCormack (1976: 101) warns: 'the description of all types of exchanges as reciprocal easily leads to an obscuring of the significant differences between them'. It is interesting to note that some aspects of the reciprocity model derived from relatively 'simple' societies, such as the obligation of return and the superiority of the gift giver, do not always fit the social reality of more-complex, differentiated societies where there is an advanced division of labour and a significant commercial sector. For example, Lebra (1969) questions the 'equivalent return' in reciprocal relations by examining the repayment of Japanese *on* gifts (benevolent favours from superiors). She demonstrates that, given the hierarchical context of Japanese society, the person who is in a subordinate position can never balance the gift received from a superior. In Chinese society, a particular type of gift, *xiaojing*, flows up the ladder of social status and no equivalent return is expected; the recipients remain socially superior even though they fail to return the gifts (Yan 1996: 147–75). Both the Japanese and the Chinese cases suggest that giving does not always involve reciprocal returns, and unilateral giving does not always generate power for the donor.

Moreover, the core of reciprocity is the notion of equivalent return

or balanced exchange, and a possible negative effect of overemphasising balanced exchange is to reduce giving to essentially dyadic transactions between self-interested individuals. In the end, it is still the material aspect of the gift that accounts for everything generated by the exchange: status, prestige, power and, of course, wealth. Yet, there is always something about gifts that cannot be explained in terms of economic rationality, such as the spiritual aspect of the gift.

The spirit of the gift

The Maussian notion of the spirit of the gift was revitalised from two directions during the 1980s. First, in South Asia studies, several anthropologists explored the Indian notion of giving without expectation of material return. As early as the 1970s, Vatuk and Vatuk (1971: 217) noted the asymmetric gift relationships in the context of the caste hierarchy in which people of low castes were generally not expected to return the *dan* gifts they receive from their superiors. Further investigations revealed that these gifts, which are offered by people in the dominant caste to those in lower castes during various secular and religious rituals, serve to transfer dangerous and inauspicious elements – such as illness, death and misfortune – from the donor to the recipient. To accept these gifts is to become the vessel of evil and inauspiciousness, like swallowing poison, and the recipients in the lower castes are required by the caste ideology to receive this type of poisonous gift without making a return gift (Brahman priests also accept *dan* gifts for the benefit of the entire community, but they can digest the evil elements by their internal power; see Parry 1986; Raheja 1988). As a result, the institutionalised flow of poisonous gifts from the dominant caste to subordinate castes is a mode of domination. These gifts constitute a serious challenge to the generalised model of reciprocity, leading Parry (1986) to interpret the absence of reciprocity in the Indian gift of *dan* in terms of the ‘evil spirit’ of the gift. But by so doing, he actually denies Mauss’s original argument that the spirit of the gift elicits a return gift. Reflecting on this, Parry (1986: 463) writes: ‘Where we have the “spirit”, reciprocity is denied; where there is reciprocity there is not much evidence of “spirit”. The two aspects of the model do not hang together’.

One resolution of this contradiction is found in Pacific island societies, where one can see both the spirit and the obligation to return. Rather than accepting Mauss’s interpretation of the Māori *hau*, many anthropologists have employed the notion of inalienability to explain the existence of spiritual, non-utilitarian ties between giver and recipient. In a provocative paper, Damon examines the Muyuw *kitoum*, a kind of *kula* valuable that is individually owned. He argues that because the objects in question represent the ‘congealed labour’ of the individual owner, ‘no matter where a

kitoum is . . . it can be claimed by its owner' (Damon 1980: 282). All *kula* valuables are brought into the exchange by the labour of specific individuals and, therefore, constitute the inalienable *kitoum* of those individuals (1980: 284). Gregory develops similar views in his analysis of the difference between gift–debt relations and commodity–debt relations. According to Gregory, gift debts involve a transfer of inalienable objects between mutually dependent persons, whereas commodity debts result from the exchange of alienable objects between independent transactors. 'A gift is like a tennis ball with an elastic band attached to it. The owner of the ball may lose possession of it for a time, but the ball will spring back to its owner if the elastic band is given a jerk' (Gregory 1980: 640). The most intriguing point to arise from this discussion is that the inalienability of certain valuables may explain not only the motivation to return but also the original motivation for participation in competitive systems such as the *kula* (see Damon 1982; Feil 1982; Gregory 1982: 340–45).

The inalienability of the gift is at the core of a new theory of gift exchange advanced by Weiner (1992), who is critical of standard anthropological studies which rely on the principle of reciprocity. She argues that the notion of reciprocity is deeply rooted in Western thought and has been used to justify theories of a free-market economy since Thomas Hobbes (see Weiner 1992: 28–30). Anthropologists have continued in this tradition and take for granted that there is an innate, mystical or natural autonomy in the workings of reciprocity. Weiner (1992: 43) maintains:

What motivates reciprocity is its reverse – the desire to keep something back from the pressures of give and take. This something is a possession that speaks to and for an individual's or a group's social identity and, in so doing, affirms the difference between one person or group and another. Because the ownership of inalienable possessions establishes difference, ownership attracts other kinds of wealth.

It is this principle of keeping-while-giving, rather than the norm of reciprocity, that can explain the obligation to return a gift, the central issue raised by Mauss (Weiner 1992: 46). Interestingly, Weiner suggests that Mauss is right about the Māori *hau*: 'The hau as a life force embedded in the person is transmitted to the person's possessions' and thus adds inalienable value to the objects (Weiner 1992: 63; see also Thompson 1987). Thus, economic anthropology had come full circle by the 1990s: the spirit of the gift, in the name of inalienability, was back at centre stage.

This theory of the inalienable gift, however, can hardly be applied to gift practices in those complex societies where most gifts are purchased commodities. For example, in China money plays an important role in ceremonial giving, and on non-ritualised occasions most material gifts

are consumer goods such as wine, cigarettes and canned food (see Kipnis 1997; Yan 1996). In contrast to the Melanesian and Polynesian cases, which involve the endless circulation of valuable shells, fine mats or cloaks, the commodity-turned-gifts exchanged among the Chinese are rarely recycled as return gifts. Instead, it is expected that gifts will be consumed by the recipient soon after their acceptance. Arguing that the theme of the spirit of the gift has been artificially isolated and blown out of proportion, Katherine Rupp (2003: 197), in her recent book on gift exchange in Japan, asserts that 'the action of giving itself is an instantiation not so much of a particular person or self, but of the social relationship between giver and recipient' and thus gift giving certainly could cross the boundary between gift and commodity.

While it challenges the notion of inalienability, the Chinese case suggests that the spirit of the gift can be understood at two levels. The theory of inalienability elaborated by Weiner, among others, can be seen in the Melanesian case where the gift is believed to contain *hau* or some other spiritual essence and thus cannot be disposed of freely by the recipient. This is the empirical evidence upon which Mauss bases his argument, but as an empirical observation it may not be true in other societies. However, in broader terms, the point that Mauss and others made from the Melanesian data is that the bond between individuals or groups can be created through the association between persons and things. Therefore, the key issue in any society is to determine what people think about the message conveyed by the gift: love, friendship, caring, obligation or a supernatural spirit. When research is conducted in complex, state societies, the spirit of the gift is better to be understood as the spirit of the donor and the relationship between donor and recipient.

Gifts versus commodities

Mauss's original distinction between personal gift giving and impersonal commodity exchange has been widely accepted and, until recently, few anthropologists have criticised this basic distinction. Based on Polanyi's (1957) theory of three modes of exchange, Sahlins suggests that the sorts of relations and values that are taken to characterise gift exchange and those that characterise commodity exchange should not be seen as bipolar opposites, but rather as extreme points of a continuum (1972: 191–7). The most important determinant is kinship distance: 'Reciprocity is inclined toward the generalised pole by close kinship, toward the negative extreme in proportion to kinship distance' (1972: 196). In other words, people tend to exchange gifts among kin and commodities among non-kin. As so-called primitive societies are regarded as dominated by kinship, Sahlins's scheme implies that there is a link between the mode of exchange and

the mode of production, a proposition developed by Gregory a decade later (1980, 1982). Following Marx's definition of commodities and Mauss's characterisation of gifts, Gregory offers a binary formulation of a gift economy in clan-based societies versus a commodity economy in class-based societies. He (1982: 41) maintains that commodity exchange establishes objective and quantitative relationships between the objects transacted, while gift exchange establishes a personal and qualitative relationship between the subjects transacting. The real distinction between gifts and commodities, therefore, lies in the different orders of social relations that are constructed and mediated through the exchange of objects.

The sharp contrast between gift exchange and commodity exchange has been questioned by many anthropologists since the 1980s. Damon (1982: 343) points out that although the *kula* ring is not a system of commodity exchange, it does lead to an expansion or accumulation of valuables by individual participants. Morris (1986: 6–7) argues that in state societies such as ancient Greece, gift exchange also functioned as a primary form of exchange both within and between communities. Several scholars have pointed out that the radical opposition between gifts and commodities is actually a result of the ideological construction of the pure gift in the West and the romanticisation of gift relations in non-Western societies and they suggest that this radical opposition should be abandoned (Appadurai 1986: 11–13; Carrier 1990: 20–25; Parry 1986: 465; Parry and Bloch 1989: 8–12). Based on ethnographic findings reported in their edited volume on money, Parry and Bloch propose a new approach to the difference between gift and commodity. In this view, there are two related but separate transactional orders in most societies, 'on the one hand transactions concerned with the reproduction of the long-term social or cosmic order; on the other, a "sphere" of short-term transactions concerned with the arena of individual competition' (Parry and Bloch 1989: 24).

For those who emphasise the inalienable features of the gift, however, the distinction between gifts and commodities remains essential. M. Strathern insists that gift exchange differs from barter or commodity exchange because the value of the gifts is judged qualitatively, not quantitatively as in the case of commodities. She (1992: 177) points out that Melanesian gift exchange is based on 'the capacity for actors (agents, subjects) to extract or elicit from others items that then become the object of their relationship'. Similarly, Weiner (1992: 191 n2) maintains that 'inalienable possessions attain absolute value that is subjectively constituted and distinct from the exchange value of commodities or the abstract value of money'.

Another way to address the issue is to acknowledge that in both traditional pre-market systems and contemporary market systems there are

certain sacred objects that can never entirely be alienated from their original owners. It is this inalienable sacred air of certain objects that draws the basic boundary between gift exchange and commodity exchange. In this respect, Weiner's notion of 'keeping-while-giving' may help us to understand the felt need to distinguish gifts from commodities; but because of the entanglement of gift and commodity exchanges in everyday practice, this notion alone cannot explain the complicated relations between gifts and commodities.

Appropriately, a number of anthropologists have argued that gifts and commodities co-exist in certain circumstances (for example, Carrier 1991; Godelier 1977; Morris 1986; Parry and Bloch 1989). With some qualifications, the interchangeability of gift and commodity is also argued, especially the dual role of money as gift and commodity (Gregory 1980; A. Strathern 1979), and the transformation of commodity into gift through the work of appropriation. The development of gift wrapping serves just such a function, appropriating an impersonal commodity into a personalised gift (Carrier 1995). It is interesting to note that, before 1880, both urban and rural Americans tended to give handmade objects as Christmas and they rarely wrapped them. When handmade gifts were replaced by manufactured items, however, gift wrapping quickly developed into a norm for Christmas presents, and the new norm in turn led to a new industry of wrapping products (see Waits 1993: 16–28).

Not only do objects pass from commodity to gift (and back again; see Werbner 1990), recent studies of gift exchange in China show that there is a grey area between gift relations and commodity relations. In this grey area a particular type of Chinese gift, an instrumental gift, plays a role in merging these two opposing sets of relations. Instrumental gifts are given in exchange for favours or services, and the recipients in turn repay the donors by exercising their positional power or providing resources which are under their control. As a result, the instrumental gift serves to channel commodity transactions, from purchasing consumer goods to starting private businesses, in a highly personalised way (see Smart 1997; Yan 1996; Yang 1994). Instrumental gift giving is reported in modern Japan (Befu 1968), and efforts to personalise commodity relations can be found in typical commodity societies as well, such as the petty market of stolen goods in London's East End (Mars 1982).

The intriguing point here is that, because of the potential for instrumentality inherent in the gift, it can be used to cultivate personal relations and produce a twofold result. On the one hand, the instrumental gift is transformed into a quasi-commodity, because it is transacted for personal interests and is reciprocated with a similarly instrumental return (goods, favour, service and so on). On the other, the instrumental exchange

relations facilitated by these gifts in turn become personal to some extent, and further commodity transactions can be arranged through the 'back door' by mutually trusted, more or less dependent partners. Hence a grey area is created between the poles of gift and commodity relation, in which the commoditisation of the gift leads to the personalization of commodity exchanges. Although at first this appears to be paradoxical, it may prove to be true in many contexts: the internal structure of the gift is not immutable, and in a world of commodities we should not be surprised to discover that gifts can gain a commercial aspect.

The person in the gift

An underlying theme in almost all anthropological discussions of the gift and the gift economy is the relationship between persons and material objects, which is also the fundamental issue that Mauss wanted to address. In this connection, studies by Parry and Carrier are particularly noteworthy. Parry (1986) shows that Māori and Hindu ideologies of gift exchange represent fundamentally opposite types: the former requires the reciprocity of every gift given and the latter denies reciprocity, at least in the case of the *dan* gift. However, the Māori gift and the Indian gift share one thing in common, the absence of an absolute disjunction between persons and things. The separation between persons and things is, according to Parry (1986: 468), a product of Christian cosmology: 'Christianity – with its notion that all men are fashioned equally in the image of God – has developed a *universalistic* conception of purely disinterested giving'. Furthermore, strong faith in freedom and choice leads to the belief that 'those who make free and unconstrained contracts in the market also make free and unconstrained gifts outside it' (1986: 469, original emphasis).

In line with Parry's view, Carrier argues that the ideology of the perfect gift in the West is shaped by the rise of industrial capitalism. 'Free and disinterested givers and recipients who transact unobligating expressions of affection come into cultural existence with the shift of production out of the affective and substantial relations that exist in the household to the impersonal relations of wage labor and capital' (Carrier 1990: 31). The ideology of the pure gift prevailing in American society is based on two popular conceptions: the gift is immaterial and its material value is beside the point; and the gift is unconstrained and unconstraining – 'it is a pure expression from the heart that does not bind giver and recipient' (1990: 20–21). This ideology, however, does not always accord with everyday practices, for the gifts often are predictable and regulated socially (see Caplow 1982, 1984; Cheal 1988). Thus, the gift relations characterised by Mauss for traditional societies also exist in capitalist societies.

One important implication of Parry's and Carrier's works is that,

although gift exchange exists in all human societies, the form it takes varies greatly, depending on the particular culture within which it is rooted. Hence we may find multiple forms of the gift – the Indian gift, the ‘Indian gift’ (Parry’s term for the Melanesian and Polynesian gift), the Japanese gift, the American gift and so on. At a deeper level, different gift forms reflect different kinds of persons and personhood. In Melanesian societies, for example, the person is relationally constructed and in turn represents a set of social relations in his or her social acts, including gift giving. A primary feature of the relational personhood is that ‘persons simply do not have alienable items, that is, property at their disposal; they can only dispose of items by enchainning themselves in relations with others’ (M. Strathern 1988: 161). By contrast, the free autonomous individual defined by neoclassical economics has nothing intrinsic to his or her personhood but ‘bare undifferentiated free will’; everything else is alienable (Radin 1996: 62). In other words, differences in person and personhood provide us the key to better understanding why the Melanesian pure gift is inalienable and thus obligatory, while the Western perfect gift is free and thus must be unconstraining.

Conversely, a Western-oriented understanding of the person in anthropology may contribute to the misunderstanding of the gift in non-Western societies. At the core of the debate about the nature of the gift is its essential ambiguity; that is, gifts are at once free and constraining, self-interested and disinterested, and are motivated by both generosity and calculation or expectation of return. Although Mauss initiated the anthropological discourse of the gift by taking a both–and approach to examine the ambiguous nature of the gift, most subsequent studies have adopted the either–or approach by focusing on one of the two sides of the same coin. As a result, the principle of reciprocity, the inalienability of the gift and the dichotomy of gift and commodity have dominated the study of the gift. Underneath all these theories, there is a Western notion of the perfect gift, based on the belief of the autonomous and free individual, that has been used to examine gift-giving activities all over the world; hence the enigma of the gift. As Mark Osteen (2002: 240) correctly points out:

We have met the enemy and he is us: the perfect altruist is nothing more than the obverse face of *Homo economicus* . . . We will achieve no deeper understanding of gift exchange and their relationships to economic and social behavior until we discard or at least modify the notion of persons as free, unconstrained transactors.

An example of this is the silence about the role of emotionality in non-Western systems of gift exchange. Most existing studies are preoccupied with discovering either the economic rationality or religious beliefs of

local people. We have detailed descriptions regarding the patterns of economic transactions, the working principles of reciprocity, the relations between gift giving and cosmology, the interconnection between persons and things. Few studies, by contrast, have touched upon the emotional world of ordinary people and the role that gifts play in expressing emotions. Weiner's (1992) book is no doubt the most radical departure from the rational model of reciprocity and the most thorough effort to date to explore the spiritual aspect of the gift. Nevertheless, it is still difficult to determine whether or not the gifts exchanged in Melanesian and Polynesian societies involve sentiments, even though it is logical to expect some sort of emotional response.

In contrast, studies of gifts in Western societies always emphasise the spontaneous, emotional nature of the gift: Cheal suggests that the gift economy in Western societies is actually part of a culture of love (Cheal 1987: 150–69, 1988: 40–55, 106–20). According to Caplow, emotionality is important in the selection of Christmas gifts in American families. The economic values of any giver's gift are supposed to be sufficiently scaled to the emotional value of relationships, so that

when they are opened in the bright glare of the family circle, the donor will not appear to have disregarded either the legitimate inequality of some relationships by, for example, giving a more valuable gift to a nephew than to a son, or the legitimate equality of other relationships by, for example, giving conspicuously unequal gifts to two sons. (Caplow 1984: 1313)

This suggests that, in fact, gift recipients are scaled in terms of their social or kinship distance or status in relation to the donor, and that gift exchange is not based on a neutral sense of 'natural feelings' between two parties. Interestingly enough, however, the concern with social distance is translated as the 'emotional value' of the relationship.

The implication here is that the Euro-American ideology of the pure gift may exaggerate the role of emotionality, thus obscuring the fact that gift exchange in such societies is also regulated by many rules and serves to deal with relationships that are important but insecure. Furthermore, this ideology may also lead scholars to overlook the existence of emotionality in non-Western systems of gift exchange, where expression of personal feeling is thought to be similar and thus adds nothing new to the study of the gift. Carrier (1992: 204) warns that a straightforward reading of Mauss's *The gift* by many anthropologists has led to both the orientalisation of an alien 'other' and the occidentalisation of the modern West. As a result, 'the model that had focused on difference between us and them, ignoring similarity, became a definition that denied or elided similarity'. Whether these criticisms can be applied to all anthropological studies of

the gift is questionable; but the absence of emotionality in so many studies of the gift in non-Western societies deserves some serious reflection, because, after all, emotionality is perhaps the most personal factor that makes giving gifts different from exchanging commodities.

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17 One-way economic transfers

Robert C. Hunt

Human economies can be characterised as producing, using and allocating an enormous number of objects. In production, natural persons travel to where resources are, extract them, usually process the resources into products (tools, a butchered carcass, pots) either at the source or back at home base, and allocate some products to others. Other chapters in this volume will outline aspects of what economic anthropologists know of production.

All human societies are characterised by the fact that the consumer or user of a product is not necessarily, or even usually, the producer of it. This applies to members of a household, where children and the sick are (for the moment) consuming but not producing, as well as to those who live and work in an industrial economy.

Much of our thinking about economies has focused on allocation, or when, how and why products move from one person to another. Many would label this sequence of transactions 'exchange' (see Strathern and Stewart chap. 14, *supra*). Two obvious kinds of exchange are purchase and sale (see Applbaum chap. 15, *supra*), and gift exchange (see Yan chap. 16, *supra*). If by exchange we mean that there are (minimally) two parties transacting (call them A and B), then in an exchange an object X moves from A to B, and another object Y moves from B to A, *and* all parties concerned claim that the two moves are linked as a set.

In purchase and sale, A has tomatoes for sale and B has money. Tomatoes move from A to B, money moves from B to A, and everybody agrees that the tomatoes and money are exchanged for each other. The timing of the two moves can be nearly instantaneous, or can be delayed. When this purchase and sale involves money, a price set by supply and demand, and willing buyers and sellers who may well be in no other social relationship, we call it market exchange. When economists write about exchange it is this kind of exchange that they focus on. There is no doubt that the phenomenon is very widespread, and very important. There are some purchases that are not done with the market principle (the price is not set by supply and demand, as in a command economy), but we know far less about them. They are nevertheless purchase-and-sale exchanges.

Gift exchanges occur when A moves an object X to B, and B moves an object Y to A, A and B are usually in an ongoing social relationship, and

all parties agree that an exchange has taken place. There is no price, and often no money. Anthropologists have paid a great deal of attention to the gift, economists less so.¹

Because human societies have a division of labour such that members need to use or consume what they do not produce, there must be a way to allocate products so that individuals' needs can be met. Exchanges are an obvious way to do this. Market exchanges are very prominent in agrarian and industrial economies, and gift exchanges in horticultural economies (for a more nuanced view, see Carrier 1992). But there are other kinds of transaction found in every human society, wherein an object X is moved from A to B *without* a counter-move of an object from B to A. By definition these are not economic exchanges.

Human societies can be viewed as containing many exchanges. Not all of these exchanges are economic, or are concerned with what can reasonably be called economics. In some exchanges economic assets are exchanged for other kinds of assets, say prestige or political position or a ritual office. But not all transactions involving economic assets are exchanges. It has been proposed that these one-way economic transfers are interesting, occur in every kind of human society and economy, are often economically important, but have received very little attention (Hunt 2000, 2002; Woodburn 1998; see also Pryor 1977). This chapter is about one-way economic transfers without exchange as one form of allocation in economies.

It is useful to try to separate those objects and interactions which are economic from those that are not. (If we cannot do this, then there is no possible way to relate economic to other phenomena.) There are two major approaches to this, economising and exchange. The intense literature on the formalist–substantivist problem illustrates the economising position (see Burling 1962; LeClair and Schneider 1968; Isaac Chap. 1, *supra*). The problems with the economising approach are that all decisions that involve economising are included, with no distinctions of economy, kinship, recreation, sexuality and so forth, and that not all acts are the product of rational decision making.

Many would say that the economic is revealed in exchange, that the economic value of some good is what someone is willing to give up in order to acquire it. There are two problems with this approach. The first is that it assumes exchange, and the purpose of this chapter is to examine transactions that do not form parts of exchanges. The second problem is that it leaves out of the picture economic production which is not subsequently transacted.

I propose that we focus on production instead of allocation for our definition of the economic. Many objects have economic content, and by economic content I mean that time, labour, energy and resources have

been expended in their making.² Producing that object may or may not have involved rational decisions about uses of resources that may or may not be scarce. That object might be allocated to another, and that transaction might be an exchange, in which case the relative value of the objects exchanged can be examined. In transfers and making-for-self, on the other hand, there is no handy way to examine exchange value. I therefore choose to anchor the domain of the economic in production, not decision making or allocation.

I suggest that one-way economic transfers exist in all societies, that on occasion they are of great importance for people, that they are of economic significance, that they are not economic *exchanges*, and that they merit much more of our attention. The reader should be aware that there has been far less attention paid to one-way economic transfers than to exchanges, and in consequence there is much less known about them. A better understanding will have to await the collection of more case studies than we now have.

A number of partially understood examples of one-way economic transfer have been identified, and I shall use a few of them for illustration of the phenomenon. In a subsequent section I shall suggest some dimensions that seem relevant, and begin to grope towards some generalisations.

Examples of one-way economic transfer

Household pooling

All humans are born helpless, none are expected to do much work before the age of four, and many are not expected to do much work until they have reached ten years or more. In the meantime they must be provided with liquids, food, shelter and clothing (if there is any). In the early stages of life the vast majority of humans are members of a household along with primary relatives, some of whom are adults. Everywhere the adults are supposed to provide for these helpless young. Much of what is provided has economic content, and it is needed for these children to grow. (Later, the older children may well contribute economically to the household.)

These transactions are one-way economic transfers, not exchanges. Objects with economic content, often produced by the adults in the household, are moved to and consumed by the children. There is no move of objects with economic content back to the adults.

Much later in life, when the children are adults and the former adults are old and helpless, it is often the case that some of those children will be responsible for taking care of them. It is tempting to regard this as part of a (delayed) exchange, but it is in most cases wrong. In part it is wrong because not all the children are expected, or desired, to provide the goods.

In many societies it is the daughters only (in one region of South Asia it is the sons' wives; see Lamb 2000) who provide the care. If it were an exchange, then all children who were recipients (and who are still alive) would be expected to be active in the care. Instead it is usually one person, and that person is usually female, and is usually a daughter. I therefore conclude that the transactions are part of a social relationship, with some kinds of reciprocities built in, but are not the standard delayed economic exchange.

Forager food sharing

Some foragers live in small camps, and acquire undomesticated species for use. There are usually between twenty and forty people resident in the camp, along with several visitors. These people include infants, children, women and men, some of whom may be sick or incapacitated. A hunter, or a hunting party, will often consume the meat of small animals on the spot where they are killed. Should a large animal be killed, the procedures are quite different. The meat from large animals is shared with many eligible persons (members of the same domestic group, close relatives, perhaps all members of the camp). Typically, the carcass is butchered into large segments at the kill site and carried back to the camp.

The large segments of the carcass are then cut into smaller pieces by one person who is responsible for the job (who may or may not be the person credited with the kill). Once cut, the pieces are moved in such a way that all who are eligible get a piece. And the rule is that everybody gets an equivalent piece. Moreover, all people are entitled to an opinion about whether or not their piece, or their neighbour's piece, is the right size. These opinions can be voiced loudly and insistently, and they must be taken seriously.

The hunters are almost always male and almost always in the prime of life. Children, pregnant women and the feeble old do not hunt and are not responsible for butchering and allocation. It must be the case that a male starts as a non-hunter, becomes a hunter as he matures and then (if he lives long enough) ceases with advancing age to be an active hunter. Therefore, those who kill large animals are never from all the categories of person in a camp. Furthermore, all hunters have been non-hunters in the past and are potentially non-hunters in the future. And remember that, because shares are equal, the person credited with the kill does not receive any more meat than anybody else, and may in fact receive less (Hawkes 2001).

It seems that meat sharing in foraging societies is a case of one-way economic transfer, not of economic exchange. There are categories of person (females, in this case) who have rights to receive this meat and who would never be in a position to be the primary provider of meat from large animals. It fits the picture: A (the butcher) moves X (meat) to others in

camp, and nothing of economic content comes back in a linked transaction. The meat has economic content, and the allocation of the meat is a one-way economic transfer, not an economic exchange.

It has been argued that meat from large animals is exchanged for mating opportunities, and that the successful hunter also acquires prestige in exchange for meat (successful hunting) (see Gurven and Hill 2009, 2010; Hawkes et al. 2010; Winterhalder 1997). There would appear to be some exchanges where the items exchanged are, on the one hand, economic (meat) exchanged for, on the other hand, non-economic items (mating opportunities, prestige). I argue that at least some, and perhaps many, of the recipients of the meat are not potential mating partners, and so the transactions involving meat are not universally parts of exchanges in at least some of the transactions. Therefore we have examples of one-way economic transfers.

Inheritance

In agrarian and industrial economies there can be a considerable amount of economic assets which are held as property by individuals. Some of these assets are transferred to living persons upon the death of the owner. Objects that can be devolved include land, facilities (such as mines or factories), buildings, domesticated animals (horses, camels, sheep and so on), household furnishings (furniture, pictures), jewellery, equity instruments (stocks, bonds) and cash.

In these cases A is the owner of the objects, X are the objects with economic content, and upon the death of A they become the property of B (or a set of Bs). There are usually formal public rules about how the estate of the deceased is to be partitioned. Wives, children or siblings may be privileged. Many of the participants think that at least some of the assets should be channelled to the 'rightful heirs' rather than given away to 'strangers'. The estate may be held together, or it may be split into equal, or unequal, parts.

There are objects with economic content that are shifted from A to B, but there is no counter-shift of objects with economic content from B to A. B is designated as a (potential or legal) recipient because of general rules (about kinship and marriage). B is not usually a recipient because of prior economic interaction with A. One may in fact inherit from some distant relative one has never even met.

I conclude that inheritance is not an economic exchange. It may involve substantial assets with economic content. Once inherited, the assets become the property of the heirs. Inheritance is therefore a one-way economic transfer (often an inter-generational one), not an economic exchange.

Endowments

Old World agrarian states from India to Europe have endowments, often owned by foundations.³ The endowment consists of assets, or bundles of assets, given by a person or a family. The assets are legally separated from the donor, and given in perpetuity to another social entity (such as a church, temple or college). This second social entity now owns the assets, and is supposed to manage the assets to accomplish the purpose(s) of the donors. The purposes include charity, education, research and performance of ritual, including saying prayers for the souls of the departed.

For a foundation to function in secular time it must have a perpetual social organisation of some sort, with officers who can legitimately make decisions about investing and spending the endowment. The assets may need to be managed, and the spending of the income from the assets must be managed. Often the officers of the organisation are self-replicating (they alone can elect new officers). The original donors, and their descendants, are not supposed to have any control over the foundation (including its endowment).

The transaction is for A to shift X (with economic content) to an entity B. There is no linked shift of Y with economic content from B to A, so it is not an economic exchange. There are occasionally positive economic consequences for A's shift of assets to B, including some tax relief (in the UK and the US), and considerable prestige (which arguably has no economic content). There may be claims that such endowments by A in this life have an effect upon the soul of A after A dies.

The question of a return, and an economic return, in a future life is challenging. Spiro (1966) has analysed Burmese villager giving to temples and monks as an investment in economic condition for a future life. The Burmese believe in reincarnation, that every human soul will return in multiple futures. According to the local belief system, one may invest today to increase one's merit in this life, and higher merit in this life translates into a better material (and otherwise) condition in the next life.

From one point of view, that of a single life, the Burman's shift of material assets (to monks, say) is a one-way economic transfer. From the Burmese point of view, however, this shift of assets from A to B will affect the next life of A in the future. It begins to look like an economic exchange. One would like to know more about the connection between the two As (present, and next, life), and the identity of B. One would also like to investigate whether the various parties would recognise this as an economic exchange.

The more general point has to do with how material the As and Bs need to be. Souls of ancestors are often said to be angry, to be causing illness and bad luck. (From a psychoanalytic point of view, the bad luck is pro-

jected onto fantasies.) In some societies one must interact with the souls of the ancestors, and that interaction often looks like an economic exchange. We as outside observers need to give more thought to how we analyse these local claims of exchanges with entities that we cannot see.

The assets shifted as endowments can be very considerable indeed, and are a loss of assets for A and for the family and heirs of A. The activities of these foundations can be of major importance for the economy of agrarian and industrial civilisations. They are then a one-way economic transfer, and they can be important for the entire economy.

Theft

Theft is a way to acquire assets, and sometimes substantial assets. Assets move from A to B, and there is no counter-transfer that links the two as an economic exchange, or at times as any kind of exchange. It is sometimes the case that A will in turn try to steal assets from B. Apparently stealing of horses among the tribes on the Great Plains of the US was so structured. It is at least possible that cattle stealing in East Africa was another case. Extortion and banditry may well be other cases.

Little attention has been paid to the transactions involved in such interactions, and they have not entered the anthropological literature as a major subject for discussion. It seems clear that they are not cases of economic exchange, that the assets involved often have economic content and may be substantial, and that they are likely to be one-way economic transfers. They are of course hard to study because of the potential for violence, and because for at least some of the parties involved the transactions are unsought, unwelcome, illegal (or at least illegitimate) and often secret.

Gift to host

A transaction that challenges analysis is the gift to the host in the US.⁴ There is almost no discussion of the transaction in the literature, and my efforts to quiz friends, colleagues and students about the matter has turned up standardised behaviour but neither articulated rules nor folk exegesis. These gifts have minor economic content (for the US middle class), but have a firm structure and lead us to wider fields of enquiry.

When one is invited to a private (rather than public) dinner party at the home of someone, it is expected that one arrive bearing a small gift. There is no consistent name for this gift in the US (some call it a 'hostess gift', most claim there is no name for it). If one arrives without one (because, say, one has been in meetings all day and had no opportunity to acquire the gift), one has to apologise for arriving empty-handed, for 'not bringing something'. Not apologising under the circumstances is noted and

remembered by the host. Apologies are always accepted the first time. If there are multiple occurrences, then the relationship is very likely to be altered.

The objects that are acceptable as gifts are quite limited. Cut flowers, chocolates or a bottle of wine are standard in the US. If flowers are presented they will immediately be put in a vase and displayed. Chocolates might be served at the end of the meal. The bottle of wine may or may not be opened and consumed during the meal.

Some objects are not appropriate. Food that could be part of the meal itself is not welcomed (perhaps because it is an intrusion into the construction of the meal). Arriving with a case of wine would not be appropriate. Arriving with pet food, jewellery or a snowmobile would be wildly inappropriate. The quality of the chocolates or wine is also at issue. Chocolates in the form of handful of ordinary candy bars would be frowned upon. Chocolates should be of high quality and should be packaged in a good-looking special box. If the meal is expected to be of high quality, arriving with a very cheap bottle of what in the US is called 'jug wine' would present an opportunity to question the taste and motives of the guest. Similarly, arriving with a very rare and expensive bottle of wine would in most circumstances be thought of as approaching too much.

As a guest one thinks about the gift that one arrives with. It should be the right kind of thing (flowers, chocolates or wine are obvious; if anything else is to be given it must receive careful consideration) and the thing itself should be the right size and quality. There are a number of parameters to be considered, including how well one knows the host and hostess, how often one has been there, what if anything the party is celebrating, how large the party will be and the history of the exchanges of such gifts between the parties. Continued invitations between the parties depend upon the correct handling of these gifts. They must be given, be appropriate, or be apologised for if the relationship is to endure.

The American adults I have discussed this with (most of them in a university environment in the north-eastern part of the country) all know the rules, all follow the rules and, until I raised the issue, claimed to have not thought about the rules. It is very hard to get people to take an interest in the phenomenon, or to provide an exegesis.

What kind of a transaction is involved? There is a shift of an object of economic content (the gift, X) from the guest (A) to the host (B). Upon arrival one is asked to cross the outer threshold. There is a space where one is greeted and takes off one's outdoor coat. If it is a dedicated space it is usually called an 'entry hall'. This is the space where the gift is presented

and accepted. The dinner invitation will have been tendered to a social unit: individuals, couples, an individual or a couple with children or with a guest. There is only one hostess gift presented by the social unit, even if that social unit includes a guest of theirs. In a different space the host(s) present drinks and something to eat which are consumed by both hosts and guests. Then dinner is served, usually in yet a different space. In these two phases the host(s) shift objects with economic content (the drinks and food, Y) from B to A.

A few Americans will claim that the gift and the meal are an economic exchange. Most will resist that claim, as I do. There is an economic exchange in which the parties participate. Dinners are exchanged for dinners. These are clearly seen as linked events, and people 'count' dinners exchanged and remember the count. It is my opinion that the gift is not part of an economic exchange for the dinner party. It is, rather, a one-way economic transfer.

It is not clear what the meaning or function of this gift is. It may have something to do with respect, or with recognising the host's activity. It may have something to do with displaying proper guest behaviour.

It may well be an example of something much more widespread. A student from the People's Republic of China was accepted for graduate study with me in my department. I met him for the first time after he arrived, and at that interview he presented me with a wooden case containing two *cloisonné* vases. It was a first for me and I was confused. I do not accept 'presents' from students I do not know well. It smacked of a bribe. This kind of one-way economic transfer was, however, obligatory for this student from China. It was not a bribe, but a sign of respect, and perhaps a signal that he would work hard.

It is sometimes the case that major exchanges are preceded by a smaller 'gift'. In the *kula* transactions in Milne Bay, armbands and necklaces are exchanged with formal partners. Armbands move in one direction around a large circle, and necklaces move in the opposite direction. The partner is presented with minor gifts of food and perhaps a stone axe (*pokala* and *kaributu*; Malinowski 1922: 354). If they are accepted by the partner it means that a major *kula* valuable will be forthcoming. Middleton (2003) reports that seagoing traders present gifts of Chinese porcelain to their Swahili merchant partners when they arrive.

These gifts are perhaps a form of speculative investment, an attempt to produce an effect. That effect is by no means certain (which makes the gift giving speculative). It is a one-way transfer of an object with economic content. You hope that it will lead to substantial trades, but there is no guarantee. It would seem to be a one-way economic transfer, not an exchange.

Bribes

Perhaps the distinction between such gifts and bribes is an uncertain one. 'Bribery' is a concept (and a crime) in all Old-World states, and the participants are subject to possible sanctions. It is also very widespread in occurrence. Most bribes can be seen as secret economic exchanges. But there are instances in which the bribed does not respond, either through inability to perform or because someone else paid more and got the contract or permission. In this latter case the net result is that no economic exchange took place, even though exchange was the intention of the briber. These end up looking like one-way economic transfers, not exchanges, although perhaps they did not start that way from the point of view of the donor.

This topic is one that is hard to analyse. Some of the events are secret, often illegal and extremely hard to observe. Before we can do a detailed analysis of the phenomena we need more data. Once that is accomplished then we may be able to apply the exchange and one-way transfer concepts to them, and see if we can make sense of the events with those concepts.

Economic corruption can be viewed as the conversion of public assets to personal ones (see Hunt 1990). (It might be productive to look at this set of activities in terms of spheres of exchange.) Bribes are often involved in economic corruption. They can be seen as a payment for a service (such as a licence or a permit) and thus it constitutes an economic exchange. Some bribes are items with economic content, but the return may not be economic.

David Sneath has been developing an analysis of such transactions in Mongolia. By Sneath's account there is a Mongolian folk distinction between 'help' and 'corruption'. 'Help' is a transfer of an asset of minor value, often a bottle of vodka, to a person or group that has provided something of economic value such as the use of a public vehicle for a single instance of private utility, such as moving a household's goods. 'Corruption' is the payment of large amounts of money to someone who is in a position to grant a substantial benefit (either commercial or personal). The local folk view is that 'help' is what one does for those close to one, and it is the moral thing to do. 'Corruption' on the other hand is not moral (Sneath 2006).

Charity, hospitality, sacrifice

There are a number of other transactions that seem to fit into the one-way transfer rather than the exchange set. Charity is one of them. Old-World states all institutionalise charity, the shifting of objects of economic content from the relatively well-to-do to the 'poor'. The 'poor' may be poor because of vows of poverty (monks in Buddhism and Christianity), because of natural events (floods, droughts, epidemics) or man-made

events (wars, riots) or because of chronic poverty. Islam, Buddhism and Christianity have systems for collecting and dispensing charity. Students and colleagues have often said to me that there is an exchange involved for the donor achieves a sense of satisfaction from the transaction. Two points need to be made. First, the recipient does not shift anything economic to the donor. Second, the sense of satisfaction is an intra-psychic event, not a transaction. The suggestion that the satisfaction makes this an exchange seems a good example of the dominance of an exchange model in thinking about such events. It seems clear to this observer that these are one-way economic transfers, not economic exchanges.

Hospitality is the offering of food, shelter and protection to others, who may be strangers, often for a limited time. There is clearly the shift of objects with economic content from A to B, and there is equally clearly no counter-shift economically. The contrasting set would be paying an establishment for providing a room and meals, which is clearly an economic exchange. Hospitality would seem to be a case of one-way economic transfer.

Sacrifice to the supernatural is an intriguing set of events. If one looks only at the tangible parties, then the sacrificers are offering objects with economic content (the fatted calf) and get nothing economic in return. But all such religious sacrifices involve intangible beings (spirits, saints, gods, God) who are the target for and perhaps the recipients of the sacrifice. In many folk cultures these intangible beings are believed to consume the objects sacrificed and to have agency. Some of these are probably economic exchanges, for the intangible beings are believed to provide good fortune in production or trade, apparently in return for the sacrifice. But if there is no such economic response from the spirits, then the transactions begin to look like one-way economic transfers.

Dimensions

Although little is known about one-way economic transfers, we can begin to outline some of the dimensions which structure them. First, it appears to be true that no outsider can decide whether any two transactions are linked. Even if they occur together in space and time they may not be linked. The first transaction may be the end of one exchange and the second one the start of another. We must, then, know how the participants identify the transactions. Local knowledge is necessary but not sufficient.

Another dimension is initiative, or which party or parties can take the initiative in the transaction. For some events the sequence is quite clear. In the case of household pooling, the initiative may lie with any party. Demand sharing among foragers locates the initiative with the recipient (Peterson 1993). In charity the initiative for some forms lies with the recipient not the donor, while in other forms the initiative lies with the donor.

A third dimension is location of the decision to shift the object with economic content. The donor has the asset and the donor may or may not have a right to refuse to provide it. In the case of forager meat sharing the donor can be harassed for refusing to provide, and will be sanctioned for so refusing. In some cultural systems inheritance is rigidly specified such that the donor has no right to refuse. In other situations the decision is firmly held by the donor.

Yet another dimension concerns sanctions for non-performance. Since most of these transactions do not rise to the level of a formal contract, the formal sanction systems do not appear to be relevant. There are sanctions applied in the case of stinginess in forager meat sharing, although we have no full descriptions. In the cases of not giving the 'gift' prior to an event, the sanction may be that the path is not opened, and subsequent transactions do not occur, or may occur differently.

Summary and conclusion

Humans make a large number of things, and these things are very often shifted from one person to another, and then to still others. Most of this shifting of things is contained within the concept of exchange, and these exchanges are important for the individuals, for the economies and for the species. My point is that there are some shifts of things which are *not* exchanges, and we ought to recognise this difference.

For lack of a better phrase I have called these 'one-way economic transfers'. I hope to have persuaded the reader that these one-way transfers occur in every human society, are not exchanges, do involve the economy and are important. These events have been largely invisible in the conceptual apparatus of the economic anthropologist, and therefore largely ignored in the literature. If this line of reasoning is accepted the subject matter of economic anthropology is thereby enlarged.

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Notes

1. Mauss (1990 [1925]) and Gregory (1982) are two major treatises on the gift, wherein gift exchange is contrasted with commodity exchange. Polanyi (1957) and Bohannan (1963) write of three kinds of exchanges, reciprocity, redistribution and market.
2. One appropriately asks about services. Surely the phrase 'goods and services', so commonly used in industrial economies, means that objects are not the only kind of thing

with economic importance. A service would seem to be a performance. Some of these performances require a prior investment (time, labour, perhaps resources and energy) on the part of the performer. Sometimes these performances are part of an exchange (as with an accountant or doctor, or a theatrical production). There are certainly some performances where there is no return economic transfer. Services are a misty category, with highly uncertain boundaries. The reader so disposed may read my 'objects' as 'goods and services'. Attention should be paid to the category of services, but that is work for the future.

3. There were New-World agrarian states (Monte Alban, Teotihuacan, Aztec, Classic Maya, the Inca and their predecessors). I am not aware of any endowments or foundations among them.
4. In what follows my data come entirely from adult middle-class (mostly) Americans, often in a university context. I do not know how widely these findings can be generalised in US society.

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PART IV

INTEGRATIONS

I said in the Introduction that economic anthropologists, like anthropologists generally, are concerned with contexts and linkages. While this concern is apparent throughout this handbook, it is the specific focus of this part. Chapters here consider the relationship between economic life and important areas that might be considered extrinsic to it: culture, gender, religion, ethnicity and, finally, people's relationships with their natural environs. Taken together, these chapters show how economic activity cannot be understood without careful attention to its relationships with other areas of social life.

18 Gender

Maila Stivens

Anthropology has much to offer the study of the economic, feminist anthropology especially so. Gender is a key social relation shaping the material flows of production, consumption and exchange, and is in turn shaped by those flows. But making economic anthropology more sensitive to gender issues has proved something of a challenge. With the growing consciousness in the 1970s of the importance of gender in understanding societies, feminist anthropologists soon realised that more was required than simply 'adding women to existing paradigms and stirring'. Thus, within economic anthropology, we needed to recast the models used to think about the place of gender, not simply 'women'.

It soon became clear, however, that anthropology as a whole had a problem with talking about 'women' and 'gender'. As Moore (1988) noted in a classic review, it was not so much that women were absent from analyses: many of the classic texts of anthropology in fact provided much material about women's activities, including their activities in economic spheres. It was more the ways in which they were written about and the importance granted in analyses to gender as a social construct. The frameworks available within anthropology to think about gender in relation to economic activities have been part of the problem, especially the notions of the 'economic' and the 'domestic'. A serious rethinking from a gendered perspective of the concepts employed in talking about the range of economies typically studied by anthropologists was required. At the same time, many feminists argued that writing about 'gender' needed to address not just 'women', but to move from eliding 'gender' with 'women' to address both femininity and masculinity.

The rethinking of the economic within anthropology was further complicated by the unfolding crisis in the 1970s and 1980s about anthropology's objects of study: critics argued forcefully for understanding the discipline's habitual objects, the small-scale societies and peasants living on the periphery, as fully constituted within the modern order, not isolates set apart from the global economy and politics. Recent years have seen widening anthropological engagements with the international and global processes of development, globalisation, diasporas, social movements and virtual realities.

Over the last few decades, feminist anthropologists, like other

anthropologists concerned with confronting a rapidly changing world, realised that they needed to show how gender relations have been part of social transformations and to show in detail the gendered links between local-level and larger political and economic forces. Not least of the complications facing such efforts is the rising global power of market-based models of economy and society, which many have termed 'neoliberal'. Feminist anthropologists and others have been interested to explore how such models and the policies deriving from them have been deeply gendered. Most recently, there has been particular interest in rethinking economic anthropology and development studies to explore the ways in which gender-blind analyses have often ignored not only women, but men as gendered actors as well (see Cleaver 2002). While this critique has proceeded apace, however, much work in these areas, both feminist and non-feminist, continued to read 'gender' as 'women'; efforts to include issues of men and masculinities in exploring the gendering of the economic have often been uneven and sporadic (see Cleaver 2002; Cornwall and Lindisfarne 1994; Pearson 2000).

Rethinking gender and economy in anthropology

Billig (2000), Carrier (1997, 2005), Gudeman (1998), Narotzky (1997), Wilk (1996) and Wilk and Cliggett (2007) have all outlined the main debates in economic anthropology, the arguments about the supposed separation of the economy and society with economic development in its many forms, and about the importance for understanding economic behaviour of looking beyond the market-centred models that dominate economics as a discipline. Wilk points out, however, that the feminist critique of microeconomics goes well beyond the claims made by Karl Polanyi and the substantivists (see Isaac chap. 1, *supra*) about the embeddedness of the economy in social institutions and the inapplicability of the formalist categories of economy to societies outside the logics of the market. In particular, feminist economists (and anthropologists) have intervened forcefully to reject the division between the *domestic* and the *economic* (Ferber and Nelson 2003).¹

With Marxists, feminists suggest that microeconomics is not a particularly good tool even for understanding modern capitalism, because it is a part of the very ideology of the capitalist system and because much economic activity goes on outside the market: friendship, kinship, religion and class, all deeply gendered relations, remain of central economic importance even in market-based societies (Babb 1990; Wilk 1996: 17; Wilk and Cliggett 2007). When feminist anthropologists asked why women's contributions to economic activities in both non-capitalist and capitalist societies had often been rendered invisible, they soon found that

the core concepts used to theorise the links between gender and economy – ‘public’, ‘private’, ‘household’, ‘domestic’ – were all deeply problematic. An especial concern was the neglect of relations of power and exploitation within households. Feminist anthropology’s main challenge to economic anthropology came from the central debates within wider feminist scholarship about ‘public’ and ‘private’ spheres (see Moore 1988; Stivens 1991, 1998a). Initial critiques of this divide in the 1970s focused on the ways in which Western political and economic thought had divided society into fixed, reified public and private domains assumed to be universal, actual social spaces (see Hart 1992, 1997; Moore 1988). These critiques highlighted the ways in which assumptions about biological destiny were directly translated into models of the household and the gender division of labour in a number of disciplines, including anthropology, assumptions that were often difficult to dislodge. In a classic piece, Olivia Harris (1984), for example, pointed to the ways in which Western society has seen the household as a ‘natural’ unit associated with women as ‘natural’ beings, while men are able to transcend nature and become fully cultural. She argued for a thoroughgoing deconstruction of the idea of the household, and for attention to the many local specificities of the domestic sphere and households cross-culturally. Feminists also suggested that the model of the household as normally consisting of a male breadwinner and a stay-at-home wife was an ideological product of the European and North American historical experience, masquerading as science.² And while feminist anthropologists found Marxist arguments about the progressive exclusion of women from social production unfounded historically, ideas about the association of monogamy with private property and growing class differentiation were useful in exploring the bases of women’s subordination (see Brodtkin [Sacks] 1979; di Leonardo 1991; Moore 1988).

Some writers, drawing on neo-Marxist viewpoints, flirted with the idea that men’s control over reproduction in both its biological and social meanings was the crucial factor explaining gender subordination (Benería 1982; Chodorow 1978; Meillassoux 1981). This initial enthusiasm about ‘reproduction’, however, soon gave way to anxieties about the over-generalised and universalising categories of ‘woman’ and the ‘domestic’ (Rosaldo 1980; Strathern 1987): it was, after all, very difficult to identify such spheres unambiguously in many societies, especially those within the category of gatherer-hunters (MacCormack and Strathern 1980). Critics were unhappy with the ways in which such theorising tended to focus on the *reproduction* of society, rather than on more dynamic processes, and felt in the end that such approaches essentialised ideas of women (Edholm et al. 1977; Harris and Young 1981).

Subsequent unpacking of the ideological division of public and private

in the large Euro-American feminist literature has proposed a number of possible directions: some writers have suggested ways of restructuring the two realms politically; some have pointed to multiple links in developing and developed societies between shifting realms of the household, family and sexuality on the one hand, and on the other the market and state; others have emphasised the permeability of the public–private divide; yet others have rejected the usefulness of the division altogether. More recent social theory has begun to speculate not simply on the shifting boundaries of public and private, but on their possible collapse with globalisation and neoliberalism (see Eisenstein 1996).

Femininities, masculinities and the sexual division of labour

As suggested, issues of public and private have been closely linked to ongoing debates about the sexual division of labour. It is often claimed that women do most of the world's work and this may be true, but there is in fact little evidence for this claim (Baden and Goetz 1998). The actual amounts of work done overall, and the proportions carried out by men and women respectively, may vary enormously (see Benería 1982). But it is indisputable that the received models of thinking about work and material flows often obscured women's work and its importance.

There is a further issue here: what is named and counted as work? Just as women's work inside the home was frequently not counted as real work in Western capitalist systems, so what is counted locally as work may also intersect with indigenous gender categories to exclude certain kinds of activities. In most societies, a division of labour is legitimated and reinforced by ideological and cultural constructs, and gender divisions form a significant part of such divisions: sexual divisions of labour are frequently based on naturalised ideas of such work (see Narotzky 1997: 30). It is not surprising that unremunerated 'women's work' in many societies, such as the work of caring for children, family members and housework, is not counted in contemporary national accounts.³

Feminist anthropologists have argued forcefully that the sexual division of labour is not about the technical division of who does what; rather, it is about how such divisions develop and change, and about the power to control the products of labour. Particular concerns have centred on the question of the links between the sexual division of labour and gender inequalities (Harris 1984). Does a sexual division of labour in itself imply social inequality, or can it involve relationships of complementarity rather than inequality? The consensus seems to be that a complementary division of labour might have been theoretically possible in gathering and hunting societies, although few such societies are extant today and few anthropologists have made such claims about equality for specific societies. Beyond

these contexts, however, a sexual division of labour can be understood to be mostly embedded in other dimensions of social inequality.

These insights have been useful to archaeologists trying to reconstruct the history of economic activities in the widest sense. While extrapolating to the past is always problematic, the documentation of contemporary gatherers' and hunters' actual food-gathering practices suggested that the image of 'man the hunter' (Lee and DeVore 1968) as a creature of both past and present has been misleading: women's gathering and trapping of small game, for example, has been shown to contribute significant amounts of calories in many gathering and hunting societies observed by anthropologists over the years (see Harris 1984; Hill and Hurtado 1996; Lee 1979; Sahlins 1972).

A number of pioneering studies of women's economic activities have been particularly influential. The economist Ester Boserup's *Woman's role in economic development* (1989 [1970]) and the anthropologist Jack Goody's *Production and reproduction* (1976)⁴ contrasted African and Asian systems of rural production to explore the links among the importance of women's labour for subsistence, technologies of production and property holding, and types of marriage and kinship systems: both ultimately saw the motors of change in technologies of production, rather than in relations of production. Boserup, very problematically, argued for integrating women into development, whereas her critics would respond that women were already fully integrated but overlooked. Claude Meillassoux's *Maidens, meal and money* (1981) concentrated on the relations of reproduction within what he called the 'domestic agricultural community'. Drawing on West African examples where a couple resided with the husband's kin (patrilocal, virilocal) and young men were dependent on their fathers for access to resources, he argued that such relations of reproduction played an important part in reproducing economic systems. He saw lineage elders' control of women's (and young men's) labour as key in reproducing society. Some anthropologists were initially enthusiastic about this, seeing it as a way to bring gender firmly into discussions of the development and reproduction of economic systems. Feminist critics, however, felt that Meillassoux conflated biological and social reproduction, and ignored domestic labour (Edholm et al. 1977; Harris and Young 1981; Moore 1988).

Ethnographic studies of the sexual division of labour have helped us to see the wide variations in such divisions, and the ways in which a society may have an 'official' version of its sexual division of labour, while presenting very different patterns in practice. Thus, in my own work in rural Malaysia in the 1970s and 1980s I found that actual productive practices among smallholding villagers in Negeri Sembilan did not follow ideologies

of men's and women's work very strictly, varying with demographic, ecological and economic conditions. Villagers said, for example, that hoeing the rice fields and tapping rubber was men's work and planting was women's, yet mixed-sex groups could be observed in most activities. In this case, it could be suggested that the supposedly fixed sexual division of labour was breaking down under the strains of a declining village economy as industrialisation and out-migration grew apace (Stivens 1996). But it is also possible that practices were always more flexible than ideology suggested.

Gender, the gift and exchange

Ever since Marcel Mauss published his famous essay on the gift in 1925, ideas of the gift and gift exchange have been central concerns for anthropology (see Carrier 1994; Komter 1996; Osteen 2002; see Yan chap. 16, *supra*). Feminist anthropologists and economists have been interested to look at the core assumptions of these ongoing debates, most notably the idea that the reciprocity integral to the gift counters the assumption of individual self-interest at the heart of (neoclassical) economics. For feminists the debates about gift giving have centred on several issues: the neglect of the extent to which women themselves have figured as objects of exchange; women's role in gift giving and exchange; and the question of altruism.

Anthropology has been replete with accounts of sister exchange and the social bonds it supposedly forges: indeed Claude Lévi-Strauss (1969) argued that the exchange of women by men constitutes the very origins of culture. Such schemes imply that men are the active agents and women the objects of these activities. Mark Osteen (2002: 19) suggests, on the contrary, that much of the literature on gifts in a range of societies suggests that women dominate gift rituals, and asks if this is evidence of oppression or power. Writing outside anthropology, Nancy Folbre and Heidi Hartmann (1988) argued that neoclassical and neo-Marxist theories subsume the affective realm and acts of sharing and caring to other masculinist master codes. If it is assumed that men operate in the wider sphere of commodities, leaving the domestic sphere to women, then perhaps somewhat contradictorily, the claim that gift giving oppresses women might be credible: women relegated to the domestic are left the essentially trivial sphere of gift exchange, while men operate in more authentic avenues of power. It seems to me, however, that it is again problematic to assume such a dualistic division.

Similarly, it is argued that the emphasis on acts of giving as the glue of society, whether generous and altruistic or aggressive and competitive, focuses unduly on the acts of men as givers (Osteen 2002). Annette Weiner

(1976), among others, was concerned to counter this, showing the intricate roles of women in Trobriand exchanges (see also Josephides 1985). In an interesting discussion, Komter (1996: 124) explores in some depth how we might understand women's role in gift exchanges in a broad range of societies. She suggests that their role could be understood in terms of four models: (i) asymmetrical power in favour of men; (ii) equivalent reciprocity, whereby each gender benefits equally; (iii) asymmetrical reciprocity in favour of women; or (iv) a condition of alternating asymmetry, in which men and women profit alternately from the dominant and gendered patterns of gift giving. In the first case, for example women's generosity in gift giving in some Western societies, 'altruism' may be forced upon them by dominant gender relationships. This highlights the difficulties with the concept of altruism and its embeddedness in such power relations.

A more esoteric debate in anthropology has followed the work of Marilyn Strathern (1988) about the 'partible person' in Melanesia, the person conceived as a divisible composite of relations rather than as the unitary subject of Western discourse. As Douglas (1998: 1) argues, Strathern's 'abstract differentiation along a we-they axis of (western) unitary individual and the (Melanesian) partible person destabilises the society-individual dichotomy itself, as an ethnocentric, hierarchised western construct inappropriate to Melanesian sociality'. Douglas quarrels with this only in so far as Strathern's distinction between relational and bounded conceptions of the person invokes for her a timeless categorical opposition between the West and the non-modernised Oceanic rest (Douglas 1998: 1). While ideas about partible persons might seem to imply that contemporary Melanesia has somehow developed outside of the modern world order and is not part of it, they are none the less interesting in the ways in which they underline how acting ('economically') within cycles of gift exchanges, for example, is constitutive of the person and the society. This is an insight that has been developed in a sizeable body of recent feminist work looking at the intersections of culture and economy in a globalising world, which is briefly examined below.

Households, production, family labour and power

Feminists have been concerned to deconstruct a number of problematic assumptions about the structure of households and the power imbalances attaching to gender relations within them. Understanding issues of the power relations within households has all kinds of implications for understanding material processes: who controls the labour of household members? Who appropriates the product of labour? Who has access to the means of production held by the household? Who has control over children, especially control over their labour? As noted, a number of

disciplines, anthropology included, have tended to assume a naturalistic model of the household characterised by a 'normal' sexual division of labour, and headed by a male.

For example, the tendency to think of farmers as male heads of households who manage family labour, which is unproblematically assumed to be at their disposal, has been especially troublesome in studies of small-scale rural production. It has also often been assumed that many households in pre-capitalist societies altruistically and equitably pool their products of labour or income from household production, smallholding, wages, crafts, farming and small businesses (for example, Wilk 1996). But feminists have challenged this, looking at the ways in which the products of labour are acquired and dispensed. In a classic work, Ann Whitehead (1984) described the conjugal contract governing the unequal access to the resources available to household members in societies characterised by direct production, such as Ghana, and in those characterised by the purchase of goods, such as Britain. She emphasised the changing features and terms of such contracts, which depend on the location of the household in the wider economy. Like Harris (1984), she argued that writers on household production had failed to account for the changing nature of production, distribution and consumption relations within the household: this depends on positions within the socioeconomic structure or on changes in that structure over time, and transformations in the larger economy which have direct effects on household relations and roles, and on the work of its members.⁵

Property relations

A key dimension of household power relations is property ownership. Within anthropology, studies of kinship, property and inheritance were slow to acknowledge the far-reaching transformations produced by colonialism and uneven development. Recent concerns have centred on gender and land reform within development. Yngstrom (2002: 21), for example, has underlined the problems in the evolutionary models of land tenure that dominate policy debates, accommodating women only in their dependent position as wives of landholders who are assumed to be heads of households. But there have been comparatively few anthropological accounts focusing on the gender dimensions of property: some of the more significant studies have included Goody (1976, 1990), Hirschon (1984), Maher (1974) on Morocco, Agarwal (1994) on India, Moors (1995) on Palestine, Goheen (1996) on the Cameroon and Deere and León (2001) on Latin America.⁶

These accounts have explored some of the ways in which formal legal codes, local ideologies and everyday practices intersect, and the often

complex outcomes of such intersections. As Bina Agarwal (1994) argues for India and Annalies Moors (1995) argues for the West Bank, women's legal rights to property may be difficult to mobilise in practice (see also Whitehead and Tsikata 2003). Moreover, the dynamics of inheritance and the relationship between male and female landholding in given systems may be complex. For example, in my own study area, 'matrilineal' Negeri Sembilan in Malaysia (Stivens 1996), local ideology said that men held acquired, commoditised smallholding rubber land under Islamic law, whereas women held the small parcels of ancestral rice land under customary law. Land titles, however, told a different story, with women in fact holding sizeable proportions of commoditised land, and most of the larger rubber landholders being women. (I argued that there had been a series of feminisations of land ownership, first with the colonial reconstitution of land tenure, then with the decline in the rural economy with industrialisation.) But with almost all rice production ceasing in the 1980s, and rubber and other crop production being in crisis due to the absence of younger villagers, women's land rights today have declined to the status of a fall-back insurance in a modern world. It is clear that Negeri Sembilan Malay women's colonially reconstituted customary land rights are threatened by both Malaysia's stunningly successful capitalist development and the Islamisation of recent years, both of which are placing pressure on customary property among Malays.

Small-scale rural production and the household

There have been a number of attempts to create typologies of peasantries, but most characterise a peasant by rural residence, reliance on family labour on smallholdings, and a relationship of economic interdependence, to varying degrees, with larger economic systems and urban centres (see Harris chap. 25, *infra*). In addition, for many analysts the category is a cultural and political one, in which peasants are seen as embodying particular forms of rural social life, often within critiques of the destructive effects of capitalism and development (see Brass 2002; Djurfeldt 1999; Kahn 1993; Kearney 1996). The categories 'rural' and 'urban', however, can be highly fluid and misleading (for a discussion of the colonial invention of the Javanese *desa*, 'village', in Indonesia, see Breman 1980). Thus, in my study in rural Malaysia (Stivens 1996), nearly three-quarters of households that were purportedly rural had histories of intermittent wage and salaried work, stretching back in some cases into the 1920s and 1930s. There have been extensive and ongoing ties between town and city, with many women in the 1970s and 1980s carrying out farm work without much input from husbands away on migrant labour, and grandparents extensively involved in looking after grandchildren in the villages (see Ferguson 1999).

Gender issues have had little place in the debates, revived in the 1970s, about agrarian transformations, the definitions of peasants, the relation of peasant economic forms to wider economies and rural class differentiation: 'the household' has often functioned as a black box whose internal, gendered power relations mostly remain unexamined (see Stivens 1994). In trying to understand contemporary rural production, it is perhaps most helpful to conceive of producers along a continuum of engagement with commodity production, ranging from those who reproduce their enterprise of relatively simple, non-industrial production outside the market ('peasant', using land inherited through kinship rules), to those who reproduce their enterprise fully within the market ('small capitalist', with inputs fully purchased in the market; Friedmann 1980). Such a scheme can be useful in specifying the nature of the articulation of household production with the larger order and in placing the internal relations of households and their articulation with outside structures at the centre of analysis. The historian Megan Vaughan, however, cautions us about an assumed opposition between the market and kinship, which does not hold in any straightforward way for African history (Vaughan 1996: 73, quoted in Yngstrom 2002: 24). Yngstrom (2002: 24) suggests that to 'understand changing tenure systems, we need to look at the organization of landholding within kinship institutions and their processes of integration into wider markets. Gender', as she notes, 'is critical to understanding how these processes unfold' (see Whitehead and Tsikata 2003).

Patterns of female landholding and of women's conceptually invisible labours add whole layers of complexity to the models of households and inheritance operating in most discussions of rural class differentiation. The latter have mostly failed to consider women as class agents, because their conceptual schemes ignored women's involvement in production, the relations of appropriation of the product within the household and the ownership and inheritance of land: dominant models of agrarian society often left little room for even conceiving of female landholding.⁷ This has been part of a failure to consider women's class agency. Hart (1992), for example, analyses the ways in which the political actions of rural women have been left out of important analyses of peasant resistance, such as James Scott's (1985) influential discussion of class within Malay peasant society: he unvaryingly wrote about the Malay peasant class agent as 'he', in spite of the fact that a group of women were described as active agents of a boycott designed to deny transplanting services to employers who hired a harvesting combine.

Gender, globalisation and development

The last several decades have produced a large literature on women in development (WID) and then on gender and development (GAD) (see summaries of the debates about the rise of GAD in Beneria 1982; Jackson and Pearson 1998). This body of work has moved from arguing for integrating women into development to arguing that development is a gendered process. While much work in development studies has been policy oriented, feminist theoretical work in the field has also been influential in looking at the ways in which gender has been an important component of the development of economic, political and social systems.

Beginning in the 1990s there have been attempts to theorise the links between gender and globalisation, exploring the gendering of both production and consumption within the new world order, and indeed the gendering of modernity itself (Ehrenreich and Hochschild 2003; Eschle 2004; Freeman 2000, 2001; Misra 2000; Ong 1991, 1999, 2006; Rofel 1999; Stivens 1998a). Several authors have argued that globalisation itself has a masculine gender. Carla Freeman (2001: 1008), for example, suggests that the 'very processes defining globalization itself – the spatial reorganization of production across national borders and a vast acceleration in the global circulation of capital, goods, labour, and ideas', all deriving in their contemporary form from 'economic and political shifts in the 1970s – are implicitly ascribed a masculine gender' within theoretical discussions. The result is an implicit but powerful dichotomous model in which the gender of globalisation is mapped in such a way that global is masculine as local is feminine. Freeman sees globalisation as working through many economic and cultural modes, and being effected both through large, powerful actors and institutions as well as by small-scale individuals engaged in a complex of activities that are embedded within, and at the same time transform, the practices of global capitalism.

A rich and growing body of work has looked at the many ways in which gender relations have been configured within, and in turn have shaped, the emerging economic, political and cultural forms of the new orders. Drawing extensively on work from history, geography, economics, development studies and cultural studies, examples from this literature include explorations of the gender dimensions of unfree labour (Robertson 1983; Robertson and Berger 1986 on Africa), of emerging forms of labour in the new international division of labour (Freeman 2000 on Barbados; Kondo 1990 on Japan; Mills 1999 on Thailand; Ong 1987 on Malaysia, and Ong 1991; Rofel 1999 on China; Wolf 1992 on Java); migration (Gamburd 2000 on Sri Lanka; Hew 2003 on Sarawak; Osella and Osella 2000a, 2000b on Kerela; Brettell 2003, Piper and Roces 2003 and Willis and Yeoh 2000 for general accounts); the global rise of new servant classes (Adams and

Dickey 2000 on South and Southeast Asia; Bujra 2000 on Tanzania; Chin 1998 on Malaysia; Constable 1997, 2003, 2005 on Hong Kong; Parreñas 2001 on the Philippines; Romero 1992 on the United States; see also Anderson 2000); the rise of new middle classes in Asia (Sen and Stevens 1998); sex work (Bishop and Robinson 1998 on Thailand; Law 2000 on Southeast Asia); and transnational flows and the links between economics, subjectivities and affect (Padilla et al. 2007; Parreñas 2001; Zelizer 2005).⁸

These studies have been most interested in the relationships between gender and the global labour force, mainly the working class. Key themes have been the feminisation of post-industrial workforces and global systems of production, and the contraction of male employment as old blue-collar occupations decline; both trends are seen as products of neo-liberal restructuring, flexibilisation and deskilling. There has also been a growing interest in consumption (see Colloredo-Mansfeld chap. 13, *supra*), its links to 'lifestyle' and identity and to the growing aestheticisation of post-industrial workforces. Following Friedman (1990: 313), I have suggested elsewhere (1998a) that arguments linking the 'spectacular' aspects of capitalist consumption and the constant formation of the 'new' (including new identities) can be useful in thinking about gender and globalisation: in both the developed and the more rapidly developing economies, women, targeted as the 'designated consumers', occupy a pivotal role in mediating the global and the local, and production, consumption and identity. It is their task in the sexual division of labour to produce constantly renewed and often ever more elaborate domesticities through constantly expanding consumption.

Feminist work on globalisation is also interesting for taking ideas of the mutual embeddedness of the economic and social into realms of post-modern analysis, arguing that work experiences and relations shape and are shaped by gendered subjectivities (Padilla et al. 2007; Parreñas 2001). Freeman's (2000) study of offshore data processors in Barbados exemplifies these emerging themes. Her female informants, working in chilly, air-conditioned, modern open offices, are subject to rigid work disciplines; at the same time they adopt language and behaviours for describing and enacting themselves as 'professional' non-factory workers in ways that Freeman considers effectively demarcate them from conventional industrial labourers (2000: 2). High heels and a dress, for example, are important markers in the fashioning of feminine and professional identities and class consciousness at the intersection of global labour discipline and the local Barbadian culture. Freeman argues persuasively that local culture and workers' subjectivities must be taken into account in conceptualising labour markets, labour processes and globalisation (2000: 3). She also

suggests that the transnationalisation of work closely ties production and technology to consumption and image-making in the lives of Third-World women workers, challenging the long-standing antinomies of First-World consumers versus Third-World producers, and of First-World white-collar or mental workers versus Third-World blue-collar or manual workers.

What of the men in these new orders? Feminists have repeatedly cautioned that gender does not equal women or femininity. Yet as noted, it is only very recently that anthropology and development studies have begun systematically to explore the ways in which gender-blind analyses have ignored men as gendered actors (Cleaver 2002; Cornwall and Lindisfarne 1994; see also Kabeer 2007). A number of studies have looked at the interactions of gender relations and emerging labour-control regimes from the perspective of men, concentrating in particular on labour mobility (Ong and Nonini 1997; Osella and Osella 2000a, 2000b). Ferguson (1999), for example, has built on the long tradition of labour studies in Africa to explore the links between masculinity and workers' life trajectories within a failed Zambian modernity. Others, like Gamburd (2000) in her study of Sri Lanka, look at how women's migrations unsettle, but do not necessarily undermine, hegemonic notions of masculinity at home. A few studies have also looked at the gender of global business: Charlotte Hooper (2001), for example, writing from international relations, sees the most powerful images of globalisation in the prime media outlet of neo-liberalism, *The Economist*, as those depicting an entrepreneurial frontier masculinity, in which capitalism meets science fiction. In new Malaysia, too, the successful entrepreneurial 'New Malay', disowning an abject past of underdevelopment, is an avowedly male figure (see Mills 2003; Stivens 1998b; Zhang 2001).

Conclusion

This chapter has argued that gender is a key social relation shaping the material flows of production, consumption and exchange in a range of economies, and is in turn shaped by those flows. It has explored a number of key themes within economic anthropology in thinking about the gendering of economy, especially the difficulties surrounding ideas of the household and the domestic and their relationships to economy. The problems with the gender-blindness of some models used in thinking about economies have been highlighted, although feminist interventions have made some progress. Indeed, as I have noted, there has been particular interest recently in the ways in which gender-blind analyses in economic anthropology and development studies have often ignored not only women, but men as gendered actors. The chapter has been especially concerned to

outline new ways of thinking about the gendered links between local-level and larger economic forces within new globalising orders.

Notes

1. For feminist discussions of the gendering of economics, see Blau et al. (2009), Ferber and Nelson (2003), Gibson-Graham (1996) and Humphries (1995).
2. Wilk (1996: 15) notes how, until the seventeenth century, the economy was not thought of as a separate entity, but as part of the basic economic unit, the household, and that the word 'economy' in fact derives from the Greek *oikos*, meaning 'house' (see Elshtain 1981).
3. See Waring (1999), who seems unaware, however, that women's unpaid labour is only one of a number of forms of unremunerated labour within a number of economic forms outside mainstream capitalism.
4. For a reconsideration of Goody's work, see Hann (2008).
5. See Hart (1992, 1997) on economism in recent models of the household; see also Brenner (1998) and Moore (1988).
6. See Benda-Beckmann et al. (2009) and Hann (1998) for explorations of property relations in anthropology. See Razavi (2003) for a feminist discussion.
7. It is significant that the extensive debates surrounding Chayanov's writings on the peasantry (see Harris chap. 25, *infra*) proceeded with little reference to the gender relations at the heart of demographic relations (for example, Goodman and Redclift 1981).
8. Bray (2007) usefully explores the links between science, modernity, technology and gender.

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19 Environment and economy

Eric Hirsch

Although environmental interests in anthropology have burgeoned in recent years, it is still the case that environmental concerns are routinely subordinated to economy and economics in policy decisions. More often than not, economic values are dominant over environmental values. Rappaport (1993) refers to this as 'trouble', what he calls 'the anthropology of trouble'. It is trouble because such subordination results in environmental degradation and limits the capacity of people to deal with environmental issues when they arise. Rappaport's article was brought to my attention in the collection of readings compiled by Dove and Carpenter (2008), one of the texts exemplifying the expanded interest in environmental anthropology (see, for example, Biersack and Greenberg 2006; Haenn and Wilk 2005; West 2006). Issues of economy and economics are discussed in the material Dove and Carpenter have assembled, but the overriding concern of the chapters in their collection is environment and ecology and their associated values. This chapter draws attention to tensions in outlook and values between environment and economy similar to those noted by Rappaport. It also highlights the connections between environment and economy in diverse ethnographic and historical contexts.

Historical legacies

An anthropological perspective on environment and economy is difficult to separate from two doctrines that took shape in Western European societies during the early modern period (see Porter 1999: 424). One is the philosophy of property and political society derived from John Locke. This doctrine legitimated a particular appropriation of 'nature', formulated in contrast to Native American ecological arrangements (as disclosed in colonial accounts of the time; see Tully 1993: 137–78). Western forms of landscape and power in the New World (and Old World) were thus licensed at the same time that native people's forms of landscape and power, part of the subject matter of what appeared as comparative ethnology (anthropology), were inextricably altered or obliterated (see Cronon 1983; Pagden 1982).¹

In particular, Tully (1993: 156–7) discusses the example of coastal Indians (Native Americans) who practised non-sedentary agriculture. English settlers sought to expropriate these lands, thereby saving themselves the work

of clearing. They justified the expropriation by arguing that the Indians' specific form of agriculture – leaving the fields for clam beds each year, not constructing fences and letting the fields rot and compost every three years – were not cultivating the land in a proper fashion. Locke, Tully argues,

elevates this justification of expropriation to the status of a law of nature: 'if either the Grass or his Inclosure rotted on the Ground, or the Fruit of his planting perished without gathering, and laying up, this part of the Earth, notwithstanding his Inclosure, was still to be looked on as Waste, and might be the Possession of any other'.

However, there was also a melding of Western, and especially Scots-Irish, and Native American agricultural practices. This was the case in the southern uplands of the United States through the nineteenth century, remnants of which persisted into the twentieth century (Otto and Anderson 1982). At the same time, the 'disorderly' appearance of swidden agriculture, common today throughout many tropical areas of the world, was also evident in Europe, persisting in Germany, Austria and northern Russia until the 1950s and 1960s (Sigaut 1979).

The second doctrine, quantitative measurement, is associated with objectivity and trust in numbers. This is a core feature of the rise of modern science as much as of the modern bureaucratic state. A mathematical, quantitative conception of the world came to predominate in science; similarly, new forms of measurement were sought by state regimes to make administration, commerce and industry more scientific, standardised and regulated by a single authority (Kula 1986; Mirowski 1989: 116, 138, 399; Putnam 1981: 75). By the nineteenth century these notions, previously found primarily among the elite, had come to be widely disseminated and taken as conventional among North American and Western European people (Cohen 1999; Jacob 1997). The contemporary importance attributed to notions such as 'normal' and 'normality', deriving from the pervasiveness of statistical procedures to assess people, things or the surroundings, is a case in point (see Hacking 1990).

As Putnam (1981: 75) observes, during the seventeenth century Europeans began to write about the physical world as causally closed. This was best expressed in terms of Newtonian physics. The movement of bodies only occurs as the result of the action of some force, and numbers alone can describe that force. 'It is important to recognize how very different such a physics, stressing number and precise algorithms for computation as it does, is from the essentially *qualitative* thinking of the middle ages. In medieval thought almost anything could exert an "influence" on anything else' (Putnam 1981: 75, emphasis added). This shift is vividly demonstrated by the metric reforms that followed the French Revolution.

As Adler (1995; quoted in Scott 1998: 31–2) notes: ‘As mathematics was the language of science, so would the metric system be the language of commerce and industry’, serving to unify and transform French society.

The two doctrines became aligned in distinctive ways with respect to environment and economy. So, for example, Scott’s (1998) influential *Seeing like a state*, which traces the alignment of quantitative measures and state schemes, commences with the case of scientific forestry. This reform of forestry originated in Prussia and Saxony during the eighteenth century, as the state sought to improve forest property along scientific, quantitative lines. Scott (1998: 12) describes how the actual forest tree was replaced with an abstract tree; a tree that represented a new, scientifically-based vision: ‘In state “fiscal forestry” . . . the actual tree with its vast number of possible uses was replaced by an abstract tree representing a volume of lumber or firewood’. Although Scott contrasts the actual tree with the abstract tree, what has appeared under the regime of scientific forestry is, in particular, a different form of actuality, informed by different notions and discourses of measurement. As Cronon (1992: 1375) notes, the stories told about the environment change the way people act towards the environment and thus change the environment as well. The new actual trees are different from their former (qualitative) incarnation and directed to differently constrained uses. Significantly, then, the state asserts its power over the environment through new forms of measurement and associated discourses.²

Measurement and value

As the example of scientific forestry indicates, measurements are acts of power, whether those based on quantitative and abstract standards, such as the rise of scientific forestry, or those more instructed by the qualitative criteria against which the scientific vision was directed. Qualitative measures are relational or commensurable; they depend on the specific context and the persons involved. Quantitative measures seek to be valid regardless of context or person; the aim is scientific objectivity (see Scott 1998: 25). To establish conventions of measurement is simultaneously to organise conceptions of value. The example of scientific forestry illustrates the way in which the surroundings, ‘space’ and ‘nature’, are reorganised in order to declare such distinctive (scientific) values. However, there is often a contest between the standards and value promulgated by the modern state and local conventions of measurement and value. Each seeks to secure its own vision regarding the way value is measured and objectified through relations between persons, things and their surroundings.

Examples of this are documented by Brosius (1999) in the case of the Penan in Sarawak (Malaysian Borneo) and logging by Malaysian timber

companies; Tsing (1999) documents a comparable case in the Meratus mountains of Indonesian Borneo, also involving timber companies and plantations. As Brosius indicates, the 'green dots' of timber certification obscure the 'pink hearts' of local environmental campaigns. In other words, 'indifferent bureaucratic and/or technoscientific forms of institutionally created and validated intervention [conceal local] moral and political imperatives' (1999: 38, quoted in Dove and Carpenter 2008: 50).

For the most part, though, anthropology has focused on a narrow conception of the social relations of persons and things in the establishment of value (see Parry and Bloch 1989; see also Alexander chap. 26, *infra*), the basis of the anthropology of economy (see Gregory 1997; Gudeman 2001). A definition of economy often used in anthropology is one that highlights the social relations connecting production, circulation and consumption. Gregory and Altman (1989: 1) suggest that 'the categories "production", "consumption" and "circulation" are common to all societies'. However, Wilk has contested this view. He argues that the categories of this circuit are perhaps more arbitrary and ethnocentric than conventionally assumed. He (1996: 31–2, emphasis omitted) proposes a broader, substantive definition of economy: 'The relationship between human beings and the human-produced world of objects, ideas and images'. He elaborates on this definition by contrasting the concerns of ecological anthropology with that of economic anthropology. Wilk suggests that while the former studies the 'natural environment', the latter is interested in the things created by people, their artefacts. But artefacts, he suggests, are not just material objects. He cites the example of songs, often ascribed substantial value but which often do not have a material form. Wilk's interest is to highlight relationships and not simply artefacts. In short, the economy, he (1996: 32) argues, is 'the world where human beings are tied to each other through their relationships with things they have created'. Artefacts and social relations in this view are connected. It is through these associations that people's distinctive measurements and values are created.

Where one might take issue with Wilk is his contrast between the concerns of ecological and economic anthropology. I have said, he suggests that the former studies the natural environment, while the latter the relationships of people as forged through the artefacts they create. But what is the natural environment, if not a series of artefacts created by people? The high media profile Amazonian rainforest is a case in point. This is often viewed as a pristine natural environment in which separate cultures live and draw upon its resources. However, as recent anthropological and archaeological research has shown, the current form of these forests is the outcome of extensive human manipulation over substantial periods of time. In effect, what has been created is a complex array of artefacts,

whether grasslands, forests or savannahs (see Baleé 1998; Geertz 1972). Interestingly, these very places are often a central theme in the songs composed by diverse peoples. Among the Kaluli people of the Papua New Guinea rainforest, for instance, song texts interweave the sounds found in forest places (for example, birds or waterways) with their intricate pattern of place-names (Feld 1996). The so-called 'natural environment' can thus be viewed as a human artefact constituted by a multiplicity of (named) places. In Wilk's terms, it is as much 'economy' as it is 'environment'.

So even though environmental factors such as land fertility or water affect people's economic activities, it is also the case that people's relationships with their environment is what transforms these factors into the form of economy people create for themselves. The environmental factors assume the form of artefacts, such as objects of knowledge, and people relate to one another through these. Although a quantitative perspective often informs Western understanding of such factors (for example, soil chemical composition, rainfall levels), in many societies, including Western ones, this takes a qualitative form, such as detailed local knowledge possessed by elders. In these contexts, the knowledge often derives from the intricate interpretation of seasonality, plant growth and the use of magical formulas and techniques derived from ancestors.

What the above highlights is that the conventional anthropological focus eclipses the significance of the local environment (such as landscape organisation) to the establishment of value. In short, people assess and value themselves as much through their landscape organisation as they do through their social organisation (see, for example, Mauss 1979 [1950]; Steward 1955). People attain power in their dealing with others in the way they make the persons, things and places of their lives appear.

Consider another example from Papua New Guinea. Among Fuyuge speakers of highland Papua, value is ascribed to the organisation and enactment of a collective performance or ritual known locally as *gab*. The ritual comprises the transaction and circulation of persons (for example, in rites of initiation or marriage) and of things (such as bird plumes, money or pigs) at distinct periods of *gab* performance, a ritual which extends over many months. But this social organisation concurrently presupposes a landscape organisation. A *gab* commences when trees known as *hoyan*, which grow in the forest, are cut and placed around the plaza where the performances are presented. These trees were 'chased' into the forest as described in a Fuyuge mythic narrative (known as *tidibe*). Once the trees are placed around the plaza, pigs are killed and distributed through acts of exchange. It is these acts of exchange that have been the primary focus of anthropology, and yet from a Fuyuge perspective the movement of things between places is as significant as that between persons. Each form

of movement begets the conditions for the other. At every subsequent moment of *gab* where transactions are conducted, the persons and things concerned are mobilised with reference to named places and roads. This landscape is as much a part of the social relations as the social relations are a part of the landscape.

Historical investigation shows that aspects of *gab* have altered in conjunction with colonial and mission influences within the region, beginning late in the nineteenth century. These agencies sought to change the social arrangements of Fuyuge speakers, and this entailed transforming their landscape as well: roads were constructed into the sides of the mountains; parishes and mission stations built; districts and government patrol posts founded. These achievements were instructed by ideals and myths of the colonial and mission agencies that parallel Fuyuge concerns with enacting their mythic narratives in *gab*. Whether considering the Fuyuge or the agencies that settled among them, the capacity to measure and value their actions required attention to landscape arrangements as much as social arrangements (see Hirsch 2003). However, among the notable differences between the arrangements of the Fuyuge speakers and the colonial and mission agencies, one derives from the allied doctrines noted above. This is the way social and environmental organisations are perceived as relatively separate domains and each is informed by quantitative values: a form of what Scott (1998) refers to as ‘seeing like a state’ (see Ingold 2000: 209–18).³

Anthropological study of environment and its concepts of analysis

The idea of environment, introduced by Thomas Carlyle, drew on established concepts such as (picturesque) landscape to assert its presence (see note 1). Carlyle articulated a Romantic lament to the legacy of Locke and to the industrialisation of the age. It is only in recent years that anthropology has fashioned a lexicon for the analysis of environmental matters. This is due, in part, to the way anthropologists have explicitly come to recognise the partiality of their understandings of local conventions. This shift from ‘totalizing, internally coherent systems’ (Rumsey 2000: 37) has meant that the details of places, the groundedness of knowledge – its root-ness – has appeared more significant. How people, whether anthropologists or those they live among, perceive and understand their world derives from how they are placed in that world.⁴

This has been articulated in different ways, and related concepts have been fashioned and deployed by anthropology for this purpose. So, while some anthropological analyses emphasise environment, they simultaneously draw upon associated concepts such as landscape and place. Ingold suggests that environment and landscape are related as function to form.

To speak of environment is to highlight what is afforded to creatures (human and non-human) 'with certain capabilities and projects of action' (Ingold 2000: 193); 'nature organised by an organism' (2000: 193, quoting Lewontin 1982: 160; see also Rabinow 1989). The recent growth of interest in the environment and environmentalism focuses most specifically on the functional conception, what is required by an organism to live and flourish, and the threats to this livelihood (see Grove 1995; Milton 1993). This is also the case in what is referred to as 'indigenous' environmentalism, as documented for the Indonesian Nuaulu and Lindu by Ellen (1999) and Li (2000), respectively. Landscape is the form these surroundings assume, the outcome of everyday bodily movement and engagement. But as Ingold (2000: 193) acknowledges, the distinction between environment and landscape is 'not easy to draw and for many purposes they may be treated as practically synonymous'.

The same is true, for instance, if the starting point is landscape, place or space. For instance, Ellen's introductory essay to *Redefining nature* draws on discussions of environment, ecology and landscape, among other related concepts. As he notes, anthropological use of these concepts raises an important question: 'how large a part of the total assemblage of meanings must we be able to identify in other cultures to speak with confidence of their having such notions?' (Ellen 1996: 4, quoting Strathern 1980: 176). To ask this question is to engage with the legacies that have shaped the world studied by anthropology, as much as shaping the discipline of anthropology itself. It is by recasting indigenous notions and analytical concepts in terms of the light they may throw on each other that anthropology can succeed in its widest goal as a comparative discipline (see Hirsch 1995).

Within this comparative enterprise three concepts are especially significant with respect to the anthropological study of environment and economy. These concepts are used to describe and analyse entities that impart a distinct form to the links between environment and economy. The first of these is place and the connections between places. As Dove and Carpenter (2008: 53) note, 'the sense of place literature in anthropology is relatively new, dating from the 1980s and 1990s. It began with the idea of "rootedness" [see above], but increasingly . . . came to focus on how place was created and contested, and how it is linked to state or global sources of power'. The second is that of boundary, which renders evident the relationships between ideas and entities such as nature and culture, village and forest, local and global and, more generally, inside and outside. Boundaries may as much conceal as reveal the wide-ranging flows that sustain an image of local stability and self-sufficiency (see Netting 1990). The third is that of maps and mapping (see Cosgrove 1999), which

represents the configuration of places and their boundaries. How maps and mapping represent village settlements and associated territorial lands, for instance, is often a contested issue involving 'tribal' people, environmentalists and states (see Tsing 1999).⁵

Each of these concepts and entities is centrally connected with the way people measure and value themselves within a particular environment-landscape; each provides a vantage point to consider the others and can be viewed as an expansion or contraction of the others (see Strathern 1988: 187). Feld and Basso (1996: 9) have argued that place is 'the most fundamental form of embodied experience'. However, a place never exists on its own, but always in connections with other places, linked by paths or roads that facilitate movement. It is through such movement that places are arranged into relevant units of relative size (for example, hamlets, villages, regions, towns, cities, states and so on), which simultaneously create boundaries to separate sets of places and people. Finally, the capacity of people to move and interact within and between places and their boundaries presupposes the existence of maps. Maps can be both artefactual and cognitive, and each exhibits a formal similarity (see Gell 1985; see also Ingold 2000: 219–42).⁶ The three concepts and entities, then, take form in and give form to particular landscapes. At the same time, the concepts and entities are an index of local measures and values and what is constituted as economy.

Case studies: place, boundary and map

In this section I consider three case studies that illustrate the mutual relations between place, boundary and map and that of environment and economy. The first case considers hill sheep farms in the Scottish Borders. Only hardy, pure-bred hill sheep are able to graze in these places and they need subsequent fattening-up for market on lowland farms. The example illustrates the way places and boundaries are formed, and how implicit maps operate in this distinctive economy based on harsh, marginal lands. There is a very real contrast between the hill farms and the quantitatively more productive lowland farms, with their capital-intensive farming techniques.

The second case is from Guinea. Like the Scottish Borders example, distinctive forms of place, boundary and map materialise through the way people assess themselves and create value in a forest–savannah environment. However, distant policy makers and politicians have misread this landscape for many decades. Instead of perceiving an environment of productive 'forest islands', outsiders see an endangered, de-forested savannah, a relic of an extensive natural forest that was destroyed by farming and fire-setting. The elaborate boundaries sustained between forest and

savannah constitute an economic strategy, not evidence of long-term environmental decline.

The third case is a dispute involving maps and local resources from the Lake Titicaca region of Peru. Like the West African example, a quantitatively informed outlook represents places and boundaries very differently from the local, qualitative outlook. Whereas the peasants in and around the lake have long used and cultivated it for reeds, the Peruvian state decreed this a conservation area and instituted radical measures for the local and trans-local use of this resource. The dispute highlights virtually incommensurable views about the way the resources of a distinctive environment are transformed into economic value.

Places on the Scottish border

The Scottish Borders, as the name suggests, is an area in Scotland just north of the English border. The area maintains a lively interest in its history of cross-border raiding from several centuries ago. Today, as in the past, the principal mode of local livelihood is breeding sheep and selling lambs; nowadays the lambs are sold for food in the United Kingdom and the EU. The anthropologist Gray studied an area in this region known as Teviothead that straddles 'the 18 kilometre stretch of the River Teviot from its source to the mill town Hawick' (Gray 1999: 444). The farms in this area range from 160 to over 2,000 hectares and the flocks are similarly varied: from 450 to 2,000 breeding ewes. It is a hilly terrain in parts, reaching 600 metres at the watershed of the river. As the river valley widens the hills decrease in height and density (1999: 444). Gray's research focused on the livelihood of hill farms in this border region. His work highlights the connections between environment and economy created in these 'marginal' lands. The sheep and land are seen by the farmers less as economic resources and more as parts of a distinctive way of life, separate from the surrounding towns and more intensively farmed lowlands: 'Hill lambs are less commodities than they are symbols of hill sheep people and their way of life' (1999: 445).⁷

Gray describes how hill sheep farmers distinguish between outbye and inbye land, based on their physical characteristics. Inbye land is flatter and thus more amenable to the quantitative value of capitalist agricultural techniques (Gray 1999: 445). Outbye land is found in the hill areas and is subject to the more qualitative arrangements he documents. It is categorised by the EU Common Agricultural Policy as a 'Less Favoured Area', where 'the quality of the land imposes the most severe restrictions for agricultural use' (Gray 1999: 444). As Gray suggests, the two types of land thus enable two different potentials to be realised (see Hirsch 1995). This is also revealed in the different auctions at which sheep are sold. 'Fat market

auctions' are generally for sheep raised on inbye land, while 'store market auctions' are for sheep raised on outbye land and requiring further fattening. Associated with the contrast between outbye and inbye are a number of other notions that convey how places and boundaries are formed, and how these are organised into map-like entities enabling navigation and movement.

Outbye land is perceived locally as wild terrain, as more difficult to control. This perception is central to the way places are formed. It is through the relations between the shepherds that work the land and the sheep that places materialise. It is these relations that form the basis of the hill sheep economy. 'Hirsel' is the name given to the places a shepherd works with his sheep. Hirsels are places and connecting paths that allow the sheep to be seen. Being able to see and recognise sheep is very important and a key quality of an effective shepherd. Smaller named areas within a hirsel are called 'cuts'. A good shepherd is able to recognise his sheep and their specific characteristics easily. Such a shepherd is known locally as a good 'kenner'. 'Going around the hills consists of seeing and gathering the sheep, terrain and people into the totality of the "hirsel"' (Gray 1999: 450). A hirsel, then, emerges from the complex relations among shepherd, sheep and place. This process is known locally as 'hefting on', and the sheep so attached to a configuration of places are known as the 'heft' or 'cut'. Shepherds work to maintain their cuts, which is the foundation of their economic livelihood. The shepherding task is one devoted to keeping the sheep in their proper places by gathering them together. Just as sheep tend to bond to particular places, so shepherds come to know these places and thus the sheep, and this ongoing process is what forms and re-forms the hirsel. '[S]imilar processes of place-making occur whether shepherds walk or use a four-wheel bike to go around the hill[s]' (1999: 449).⁸

The places that make up cuts, and thus a hirsel, all have names. The names, as Gray highlights, are crucial to the movement and navigation performed by the shepherds. The names enable a map to be formed for these purposes (Gray 1999: 452). What is crystallised by the names is a complex set of connections between the everyday experiences of the shepherds and the history and myth of reiving (raiding; see above and Gray 1999: 454). The assessments and values locally created are informed by this reiving legacy and the way the hills are currently worked to form its distinctive places.

Forest–savannah boundaries in Guinea

This second case illustrates a comparable contrast between a quantitative outlook to environment and economy and one that emphasises qualitative measures and values. But here it is not two different types of land, as in the

Borders example, but the same landscape viewed differently. The case concerns the forest–savannah transition zone studied by the anthropologists Fairhead and Leach (1996; for a comparable example from the Brazilian Amazon, see Posey 1985). They investigated a prefecture in Guinea, West Africa, which consists of patches of dense forest dispersed in savannah:

The forest patches, which surround old and new village sites, have been considered by environmental policy makers for at least a century as the last and endangered relics of a once extensive natural forest cover now destroyed by local farming and fire-setting; a destruction they have continually sought to redress. (Fairhead and Leach 2000: 2)

This distant and ‘objective’ assessment is informed by a particular Edenic view of African vegetation before its supposed disturbance by humans. The analysis of various quantitative factors such as rainfall levels and the presence of humid forest species are taken as indicative of this past ‘climax’ vegetation type. However, the study of local conditions reveals a very different situation. Far from being relics of the past, forest islands are an engendered environment that sustains a local economy including rice and cash crops such as coffee, peanuts, cassava and fonio. But to perceive this engendered environment requires examining the qualitative processes whereby these forest islands are produced. Members of one of the groups that reside in this region, the Kuranko, have a saying that translates roughly as, ‘prosperity is in the forest’ (Fairhead and Leach 1996: 87). Forest islands develop through the everyday activities of men and women. ‘Villagers today receive cash from many sources. Incomes from the sale of crops, game, gathered products and day labour in the village at particular times of year are supplemented through other activities’ (1996: 135). It is these actions that create the conditions for the emergence of forest islands and the prosperity they embody. In short, the boundaries and connections between forest islands and savannah need to be considered as a social process. Forest islands are created intentionally by villagers. Sometimes this is explicit, such as by planting trees. More usually, though, it is by creating conditions for the soil and for fire, which assists with the regeneration of forest in a savannah area.

The siting of settlements is a key factor. Villagers deliberately choose sites that will give protection from fires. For this reason, gallery forests or swamps are often chosen as the sites for new settlements. In addition, villagers work, through their everyday activities, to create fire- and wind-breaks by reducing the quantity of grass around a settlement. Grass used for thatch and fencing is collected from these marginal areas and cattle are often tethered here, and their grazing and trampling further reduce the grass. As villagers move in and out of the village they routinely slash

any grass. As Fairhead and Leach (1996: 87) note: 'When these everyday activities are judged insufficient to form an adequate firebreak, young men cut one purposefully. Early in the dry season elders may also choose to arrange a controlled burn, which then eliminates the fuel for more threatening late-season fires'.

Implicitly, then, villagers have a conception (a 'map') of the necessary boundaries and relations between forest islands and the surrounding savannah. Ecological processes are 'harnessed' to enable forests or swamps to develop (Fairhead and Leach 1996: 207). Once a new settlement has adequate protection from fire and wind, then the conditions are engendered for the potential expansion of the forest belt. This process occurs hand in hand with the mundane economic activities of village life: household cooking and crop processing wastes are deposited on the forest margins, as is cooking-fire ash, and people defecate on this area of the developing forest island. In a comparable manner, gardens located behind kitchens become concentrated with social fertility. When these garden sites are abandoned, woody vegetation quickly takes root, further contributing to the lushness of the forest island: 'Indeed, in many cases, new settlements have been established on old garden sites, where inhabitants have found their forest island formation especially rapid' (1996: 87). As Fairhead and Leach demonstrate, far from a past relic, forest islands are the key locus of routine agricultural activities, which can only be sustained by maintaining an adequate fire-free boundary with the adjacent fire-prone savannah. The forest islands are manifestations of a distinct regional economy, and it is in the form of these islands that they generate their sense of economic prosperity.

Map disputes at Lake Titicaca

The final case exemplifies a key issue addressed in the previous example: the substantial difference between outside representations of an environment and its economy and those constructed locally. During the 1970s the Peruvian government established the National Forestry Centre (CENFOR; Centro Nacional Forestal, known by its acronym; Orlove 1991: 6) to regulate natural plant and wildlife resources through the establishment of a series of parks and reserves. The reed beds at Lake Titicaca fell within this scheme, and CENFOR attempted to regulate their harvest. Viewed abstractly, from the perspective of the state, this was an environment in need of protection. However, local peasants harvested them in a way that would ensure their regeneration, 'leaving the base of the stem and the roots intact in the muck at the bottom of the lake so that the plant can grow again' (1991: 6). Moreover, these reed beds were used extensively by those peasants 'for many purposes, including thatching houses, making

rafts and mats and feeding cattle' (1991: 6), and so figured centrally in their economy.

There is a substantial variation in the availability of *totorá* (the Spanish name for the reeds) among the peasant communities. Some are self-sufficient, others have little and again still others have a surplus. It is this differential access to the reeds which creates the conditions for an intricate regional economy: 'Individuals in regions deficient in *totorá* often travel to communities with more abundant supplies and pay the community members for the right to harvest', and gifts of coca, alcohol and cash are made for first-time requests (Orlove 1991: 6). The scheme introduced by the state meant that its institutions would now grant these rights through licences that needed to be applied for. This is the basis of the conflict studied by the anthropologist Orlove (1991).

In the course of this contest several maps were produced by state officials and by the peasants to assess their respective claims. The maps represent different arrangements of places and boundaries that each side to the dispute perceived as relevant. So, for example, before the advent of the reserve 'only the inhabitants of lakeshore communities had cut *totorá*' but the legal changes now meant that all Peruvians had this right (Orlove 1991: 10). Thus, in the maps produced by the government, roads are given prominence, while they are absent in the peasant maps. This indicates a significant difference in outlook. For the government, the presence of outsiders (indicated by having maps include neighbouring towns) and access by them (indicated by having roads on the maps) are important. Alternatively, for the peasants, living inside the relevant area, those towns and roads have little relevance. By contrast, the peasant maps emphasise the depiction of equal-sized communities, indicating a self-contained rural area made up of linked local settlements (for example, those resident on floating islands, or those resident on or near the shoreline) that have endured in the area over generations.

The three maps produced for the state, analysed by Orlove (1991: 21–2), emphasise a particular narrative of legal time:

The first separates the Reserve . . . from the rest of the lake; the second divides the Reserve into different types of zones; the third allocates portions of certain zones to users under year-long extraction contracts. These three maps, then, correspond to the three activities mentioned in the law that created the Reserve: the 'studies' to determine its border, the 'development' of the Reserve, and its 'administration'. These activities are listed not in a random order but rather in terms of stages of enactment of the law.

The zones, for instance, make sense in terms of an abstract conception of the environment, where the reed beds are divided on the basis of their

relative density. But from the peasant perspective, the zones have no real basis and legitimacy. The peasants view their control of the pertinent areas to be ancient and unchanging. This legitimacy derives from several sources and is represented on their maps accordingly. One source is agricultural, where the maps indicate the use of land at varied altitude; a second is political, represented by the position of assemblies and plazas designating authority; the third is ritual, depicted on the peasant maps by the boundary mountains where ceremonies are held at specific times of the year (Orlove 1991: 23).

The upshot of Orlove's analysis is that the quantitative outlook promulgated by the state and the qualitative view adopted by the peasants are so different as to be virtually incommensurable. Even so, the two sides used these sets of maps in their negotiations over boundaries and the status of the Reserve before it opened (Orlove 1991: 24). As Orlove indicates, both sides to the dispute were able to sustain their particular vision of environment and economy centred around reed use not because they agreed, but largely because the places and boundaries of the peasants were of little interest to anyone except themselves and a distant state bureaucracy.

Conclusion

The three cases elucidate the intricate connections between place, boundary and map on the one hand, and on the other the ways that diverse peoples assess their social relations through the artefacts they create and value. While hill sheep farmers and shepherds raise sheep for market, the creation of this economic value simultaneously engenders a unique landscape: it is the association of these processes that fashions this into a worthwhile livelihood for the local farmers and shepherds alike. Similarly, the everyday economic activities of Guinea villagers – such as rice farming, household gardens or growing coffee and cassava as cash crops – engender the divide between forest and savannah; it is this significant boundary that establishes the prosperity of living in a forest island. Finally, the peasants at Lake Titicaca have fashioned a regional economy based on differential access to the reed beds, where their visions of the local landscape enable the exchange of goods and cash as part of sustaining a valued environmental resource.

The examples also highlight how these views, studied by anthropologists, exist in tension with more distant perspectives on environment and economy. Here the environment as an economic resource is assessed through quantitative, objective standards where the environment is evaluated as a domain separate from the social relations that constitute it. The qualitative perspective, as we have seen, places social relations at the centre of measurements. In this case the environment as an economic resource is

an outgrowth of these relations and cannot be evaluated otherwise. These differences in assessment are connected to differences in values, such as the contrast between sheep as a commodity or as part of a way of life, between forest islands as a relic of a pre-human, natural forest cover or the outcome of intentional social–ecological processes or, finally, between reed beds as a potentially endangered national resource in need of conservation or as a carefully cultivated item of exchange and political–ritual importance. The anthropological study of environment and economy, then, attends to both the local and distant perspectives. Anthropologists consider how each of these outlooks shapes the places, boundaries, maps and mappings of environments, where people gauge their relations with each other and their world through the artefacts they create and value.

Notes

1. The English notion of environment originates with Thomas Carlyle in the nineteenth century. As Porter (2000) has highlighted, Carlyle's 'environmental' concerns were hardly novel. Similar misgivings, deploying terms allied to the one Carlyle added to the lexicon (for example, landscape, nature), can be found in previous centuries. In addition, the radical alteration of the environment was not restricted to Western societies. The same political and economic philosophy that legitimated the kind of changes decried by Carlyle also figured in the expropriation of lands among non-Western peoples. Tully has argued that Locke's influential 'Two treatises of government' was informed by both Western and non-Western (Native American) conventions of political society and property: 'The reason why Locke's concepts of political society and property are inadequate to represent these two problems of nationhood and property in such a way that they obscure and downgrade the distinctive features of Amerindian polity and property . . . Locke defines political society in such a way that Amerindian government does not qualify as a legitimate form of political society. Rather, it is constructed as a historically less developed form of European political organization located in the later stages of the "state of nature" and thus not on a par with modern European political formations . . . Locke defines property in such a way that Amerindian customary land use is not a legitimate type of property. Rather, it is construed as individual labour-based possession and assimilated to an earlier stage of European development in the state of nature, and thus not on equal footing with European property' (Tully 1993: 138–9; see Cronon 1983).
2. The emergence of scientific forestry did not occur in isolation from the transformations of German 'wilderness' and the myths that instructed those changes. The reclassification of the forest was the outcome of Enlightenment scientific myths contending with more ancient ones. 'For much of the Middle Ages, hairy, cannibalistic, sexually omnivorous wild men and women had represented the antithesis of the civilised Christian. But beginning in the later part of the fifteenth century – the same period that saw the reappearance of the Germania [ancient German myths] – wild men were made over into exemplars of the virtuous and natural life' (Schama 1995: 97). The wild men and the ancient Germans merged within the enclaves of the forest itself. This is exemplified in the early sixteenth-century paintings of Altdorfer. In *St George and the Dragon* 'the conventions of ornamental church foliage [are transcribed] directly to the painting, thereby creating a consecrated space' (Schama 1995: 99). Altdorfer's paintings portray the German forests as the authentic form of German scenery. However, by the time this occurred these very forests were themselves fast diminishing as they were mapped and cut down; the advent of scientific forestry was on the horizon.
3. There is a need, then, to attend to the historical legacy noted above, and the way this is implicated locally. At the same time, though, attention must be devoted to

local perspectives without reducing these to the effects of the Western doctrines. Anthropology thus deals with what are in effect entangled environments or landscapes. Thomas (1991) has argued the case for 'entangled objects', but such objects presuppose landscapes that have become entangled.

4. Not only are these perceptions emplaced, but they are informed by myth. Vico argued that knowledge was mythopoetic: the world it describes is inseparable from the poetic techniques (the figures of speech) used in its production (see Abramson and Theodossopoulos 2000).
5. Each of these are forms of what I have referred to elsewhere as the relationship of 'foreground actuality' and 'background potentiality' (Hirsch 1995). This characterises the scales or measures by which people organise their lives. Foreground actuality is the scale of event-filled, concrete bonds of persons. Background potentiality is the scale insensitive to the detailed bonds, allowing the work of the imagination and of timeless possibilities. Both scales operate in conjunction with one another. Recall the example from Papua New Guinea. Actual trees are cut and physically arranged to commence the ritual. At the same time, the work to procure these trees is informed by the possibilities encoded in the mythic narrative. It is through the connections between such actualities and potentialities that landscapes are formed. Landscape can thus be described as a process; landscapes demonstrate a temporality (see Ingold 2000: 189–208; see also Gell 1992: 218).
6. Ingold (2000: 219) argues that 'places do not have locations but histories'. By this he means that people living in a landscape know the places through the history of the journeys they have made. In this way ordinary wayfinding, he suggests, is more like 'storytelling' than map using: wayfinding has the character of 'flow', the manner in which a narrative seems to move effortlessly along when told. But, contrary to Ingold, places have both locations and histories. Histories are events which have taken place in a sequence, a before and an after. In short, histories are predicated on a temporal location. If places are history-like, then they are certainly located in relation to other places. Ingold radically separates wayfinding (as 'mapping', an inscriptive process) from navigation (as 'map-using', a representational process). He takes issue with Gell's (1985) theory of navigation, based as it is on an analytical distinction between images (the context-based knowledge of places and their configuration) and maps (context-free knowledge of places and their configuration). Whereas Gell highlights the mutual implications of images and maps in navigation, Ingold argues that movement in a familiar environment is an unmediated flow; navigation, as such, does not occur. The contrast Ingold draws between flows, images and maps is surely correct. However, the contrast, and the argument Ingold sustains, does not tell us how new places, even in a familiar landscape, become themselves familiar. At particular moments people do need to navigate in a familiar landscape if they become lost or disoriented or if they take a new route. Images such as landmarks need to be conjured up in order to properly navigate, to find one's way. Gell's point is that the capacity to transform the unfamiliar into the familiar depends on implicit spatial knowledge conventions: the mutual relations between images and maps. Gell would undoubtedly agree with Ingold's notion of mapping, what conventionally happens in a familiar landscape (Gell 1985: 278–80). The advantage of Gell's theory, though, is that it can account for knowledge of both familiar and unfamiliar places in comparable terms. Moreover, it highlights the formal similarities between artefactual maps and 'the vast majority of maps that have ever been produced in human societies . . . [which] have been improvised on the spot within a particular dialogic or storytelling context, and without any intention for their preservation or use beyond that context' (Ingold 2000: 233; see Munn 1973). It should also be noted that Gell highlights these formal similarities in order to critique the 'primitive mentality' thesis propounded by Hallpike (1979), which advocated a fundamental separation in cognitive abilities between so-called 'primitive' and modern peoples (see Frake 1985). Gell's point is that the most 'primitive' map is formally no different from the most 'sophisticated' cartographically produced version.

7. Locally, people distinguish between farmers and shepherds. Farmers own the sheep and often the farm (or are tenants). Shepherds are hired by farmers to take care of the sheep. Even where there are hired shepherds, farmers do some or most of the work with the sheep. In this way, Gray's account of the relations of shepherd and sheep applies to farmers as well.
8. Gray notes that by the middle of the 1990s over half the hill shepherds used four-wheel motorbikes to go around the hills. The shepherds he interviewed said that use of a bike did not greatly affect their relations with the land or its topographical features. Rather, the use of bikes enabled fewer shepherds to cover a larger number of sheep; their use allowed for greater efficiency and lower labour costs.

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20 Culture and economy

Michael Blim

Much depends upon our values. People have values, notions of what is good or worthy and what is bad or unworthy of human life, regarding the most fundamental questions of existence. Our choices, our actions in the world, are guided by them. They are the ultimate ends against which we measure our actions (see Alexander chap. 26, *infra*).

Values point towards appropriate actions. For instance, suppose we value human beings leading long, disease-free lives (however we may define this). We could then proceed to evaluate goals and courses of action in light of the degree to which they advance that which we hold dear. Some goals would be appropriate, and some would not. In this case, perhaps the goal to be rich, for instance, may be less relevant to our value of long, disease-free life than the goal of universal health care.

Let us take another case. Suppose we value living without experiencing physical violence. We can then proceed to evaluate our goals. Is retaining the use of force as a foreign policy option consonant with our values? Is keeping a standing army compatible? Is the death penalty appropriate? Is corporal punishment in schools fitting? On the other hand, if we think about goals that would enhance our abilities to live in a violence-free world, we might look at courses of action that lessened the frequency and impact of violence in our lives. We might consider teaching children peaceful approaches to conflict resolution. Or we may want to argue that lowering the degree of poverty and economic inequality would lower rates of crime that include physical force and violence.

The relationships among values, goals and actions are reciprocal. Considerations of a goal or action invoke our values, and vice versa. All three change as the conditions of our lives change. Thus, values are not some fixed essence, like the North Star, by which we guide ourselves. They are more like maps we use crossing the rough and changing terrain of everyday living. Embodied in actions, they comprise culture.

Economies are no different. They depend upon our values, and thus are culturally bound. The question of whether values came to shape our economies or whether economies shaped our values is one that generated significant controversy in the nineteenth century. Karl Marx the materialist was convinced that human activity to reproduce its existence shaped human outlooks and ultimately what people believe. Max Weber, the

idealist seeking to contest Marx, insisted that people's values shaped their economic actions (see Coleman chap. 21, *infra*), though he conceded that economic activities, once routinised and patterned into systems of action, exercised a rather tyrannical normative force on people's actions. Émile Durkheim, the exacting moralist, was certain that economies themselves derived from the expanded reproduction of society, itself the original good. Thus, the powerful norms demanding social cohesion governed and gave direction to economies.

While it may not matter much which came first, economies or culture, it is important to keep the interconnection in mind, for changing one often changes the other. Perhaps the causative powers of economies are easier to assimilate, as we have lived through so many of them. Ours is a world of perpetual economic revolution. From one century to the next, we have experienced technological revolutions, transportation revolutions, communicative revolutions, and each of these revolutions has begotten whole genealogies of revolutions. From manual labour, Yankee clippers and the telegraph in the nineteenth century to machine labour, steam ships and the telephone in the first half of the twentieth century, and robotics and computers, overnight air freight and instantaneous internet connection in the second half of the twentieth century, we have moved a long way in 150 years. These changes, taken separately and in combination, have affected how we act and what we believe.

Moreover, the growth in the size and complexity of economic organisations has created a new frame of reference for human action. Enormous bureaucratic hierarchies composed of firms and states command our labours, collect our taxes, redistribute economic surpluses, produce and distribute the world's goods. Consider that the world's 1,000 largest companies produce four-fifths of the world's industrial output directly or indirectly (The Economist 2000: 21). Of the world's largest 100 economies, 51 are corporations; the rest are states (Gershman and Irwin 2000: 36). For many, a significant part of life is a series of interactions with impersonal hierarchies buttressed by ready-made roles and norms. For the large firms and public corporations that comprise the private sector, profit is the watchword. For states and the so-called 'third sector' (including foundations, charities and non-profit businesses that distribute monies and services) solvency, not profit, is the key constraint.

The mix of these sectors – private for-profit, private non-profit, state – and the degree of their bureaucratic organisation and the portion of a given economy they superintend provide the context for economic action and contribute to people's values. What this rich set of factors does is upset the received notions of economic textbooks and orthodox economists that economies, and here we focus on capitalist varieties, must apply a rather

fixed set of values if they are to succeed. The implication is that if societies do not have a particular set of values, their economies are destined to fail. In contrast, our discussion below shows that there are already a number of different sets of value orientations operating in contemporary capitalist economies that are reasonably successful.

There is no 'one best' value orientation

Even though a variety of values motivate and shape reasonably functioning economies in the capitalist world, arguments for the 'right values' have become popular once again. During the 1960s and 1970s, they were grouped under the general rubric of modernisation theory (see Eades chap. 2, *supra*). Proponents argued that there were certain cultural pre-conditions or sentiments that people in the newly industrialising countries needed for successful economic development. Walt Rostow, one of the theory's most important proponents, imaginatively summarises from the historical record of the West how these new ideas about life and progress enabled whole societies to economically 'take off':

The idea spreads not merely that economic progress is possible, but that economic progress is a necessary condition for some other purpose, judged to be good: be it national dignity, private profit, the general welfare, or a better life for the children . . . New types of enterprising men come forward . . . willing to mobilize savings and to take risks in pursuit of profit or modernization. (Rostow 1971 [1960]: 6–7)

These visions, transformed into ambitions, finally become values. The modernisation paradigm, perhaps best expressed in Talcott Parsons's 'pattern variables', was essentially a list of the values a modernising society must have in order to succeed economically. They included prizing achievement over ascription, universalism over particularism, and specificity over diffuseness. Achievement over ascription was well fixed by Rostow (1971 [1960]: 19): 'Men must come to be valued in the society not for their connection with clan or class, or even, their guild', 'but for their individual ability to perform certain specific, increasingly specialized functions'. A preference for universalism, for instance, means that people appreciate things beyond their narrow personal interests, while specificity refers to the ability to separate and act on a particular problem without getting tangled up in what we might call the 'big picture' (Parsons 1951: 58–67). These new values, then, became emblems as well as measures of the social progress of post-colonial states in the 1960s and 1970s on the road to modernisation.

This 'right values' argument has never really died out. Rather, we find it re-emerging in reinvigorated form over the past decade. Once more,

a particular value set is essential for long-term advantage. Leaders of Asian states, such as Singapore's former president Lee Kuan Yew, have argued that Asian values based upon the teachings of Confucius have been responsible for Asian economic ascendancy during the 1980s and 1990s. Values such as respect for authority, hierarchy and the group – not 'Western' values such as individualism, democracy and personal freedom – have enabled Asian societies to achieve economic success (Zakaria 1994: 1–3).¹

In contrast, Francis Fukuyama (1995) identified 'trust' as the essential ingredient in the economic success of the US, Germany and Japan. In these countries people resisted the confinements of the kin group, and found ways to channel bonds of trust into the complex organisational achievement we know as the modern corporation, itself the master rationaliser and renewer of capitalist economies. Armed with this hypothesis, Fukuyama neatly divides Asian societies into two groups: the ultimately unsuccessful developers who cannot move beyond the kin group, which includes China and the Chinese diaspora; successful developers like the Japanese, who can expand their notion of kin to include the corporation. Given the economic news since the beginning of the 1990s, there has been a reversal of fortunes that Fukuyama among others did not expect, as China has soared ahead and Japan has stagnated.

Others have put forward more ambitious value agendas. Lawrence Harrison (2000), for instance, lists 10 values that societies need in order to develop economically: (i) time orientation (to the future); (ii) work (diligence and achievement for self-respect); (iii) frugality; (iv) education (for progress orientation); (v) merit (as basis for advancement and rewards); (vi) community (trust bonds beyond family); (vii) honesty (business and personal ethics); (viii) justice and fair play; (ix) authority (dispersed, horizontal); and (x) secularism. Although Harrison notes that few countries would be top on all the factors, he asserts that 'virtually all of the advanced democracies – as well as high-achieving ethnic/religious groups like the Mormons, Jews, Basques, and East Asian immigrants in the US and elsewhere – would receive substantially higher scores than virtually all of the Third World countries' (Harrison 2000: 299–300).

Harrison's enthusiasm reveals, albeit in extreme form, the tendency to identify the moral ideals of economically successful societies and to attribute success to the practice of these ideals, regardless of whether he can demonstrate that these ideals can be shown to be effective in practice. 'The power of culture is demonstrable', he writes, adding the activities of ethnic Chinese diaspora business people throughout Southeast Asia to his list of favourites (Harrison and Huntington, 2000, p. 300). Although Fukuyama, as we have seen, would disagree about the ethnic Chinese,

we can see in the work of both the tendency to award particular cultural values a causal role.

They are not alone. 'Max Weber was right', writes the economic historian David Landes: 'If we learn anything from the history of economic development, it is that culture makes almost all the difference' (Landes 2000: 2). With the invocation of Weber, Landes makes historical claims for the culture argument. And, in fact, our value inquiries still hearken back to the example of Weber's classic study (1958 [1904–05]; see Coleman chap. 21, *infra*) of the role of Protestantism in generating the original motivations for the investments, efficiencies and savings of modern capitalism. His radical notion that the ascetic Protestant sects of northern Europe ignited the growth of modern capitalism because of their religious values is a fascinating study in the powers of a social personality in human conduct. It also set a standard for investigations over the course of the twentieth century.

Yet, even in Weber's lifetime, there were disagreements about the 'value causes' of capitalism, and here begins our argument against the 'one best' or 'right' values argument. Weber's colleague Werner Sombart (1967 [1913]) put the desire for riches at the centre of capitalist motivations, while in the US Thorstein Veblen (1994 [1899]) emphasised the 'pecuniary emulation' of the rich and conspicuous consumption as the keystones of modern capitalism. Faced with their mutual contradiction, sociologist Daniel Bell does the sensible thing to conserve both, he historicises them: Weber may have been right once upon a time, but Sombart's stress on 'greed and gold' best captures the spirit of today's capitalism. For Bell (1996 [1976]: 295), the value of acquisitiveness underlies capitalism's historic switch from extolling the virtues of production and savings to embracing the rewards of consumption.

Moreover, Weber himself associated different types of value orientations with a variety of forms of capitalism. While he argued that the historical origins of modern Western capitalism lay in the existential anxieties and compulsive habits of members of certain northern Protestant sects, he acknowledged that other kinds of capitalism derived from the diverse value orientations of other historical societies. Thus, for instance, he recognised that a more 'financial' capitalism, based upon speculation in currencies rather than production and trade in goods, was present in scores of societies before and after the Protestant invention of Western capitalism. He also describes what might be termed a kind of 'predatory' or politically oriented capitalism, where people or organisations made money via their connections to a political leader, class or state, and says that this was practised in the West from the time of the Roman empire. Although Weber focused on the rational capitalism rooted in the historical development

of Protestantism, he none the less took cognisance of the other modes of capitalism that appeared whenever events such as financial crazes or wars were visited upon modern economies (Weber 1978: 164–6).

In this, then, Weber is something of a compromise figure. On the one hand, he finds a plurality of value systems producing a plurality of capitalisms. On the other, he picks his favourite, the modern Western variety, because the values he traces to the religious conflicts of certain groups of Protestants best fit his preference for a model with an instrumental rationality, in which people constantly calculate the most efficient means for accomplishing their ends.

Yet, we need not rest our argument solely on a theoretical footing. We can support it with empirical evidence. Our most fundamental point is that contemporary capitalist economies vary greatly in their natures and in the values that motivate them. The first way in which they differ is how they are structured to make money. For instance, the economies of rich countries tend toward post-industrialism: a major part of their economies make money-producing services rather than goods. They also devote a significant portion of their money-making activities towards the financial sector, in effect making money with money (Block 1990: 1–20). A second batch of countries, ranging from those in East and Southeast Asia to Latin America and Eastern Europe, depend upon industrial production for their livelihoods. Another batch of middle-income countries base their economies on the extraction of oil, minerals and metals. The poor countries from Africa and other regions find it hard to sustain trade in other than basic commodities, and much of their economic activity revolves around subsistence, rather than profit, and is centred on households and kin groups rather than firms. Moreover, in poor countries the great majority of the population has no access to banking services and no means of saving money. This puts these countries in the hands of international lenders, such as the regional development banks and the World Bank or, when their economies are growing, the large private banks of the rich countries.

Although the differences between their plight and that of rich countries is apparent, it is also important to note how the economies of rich countries use banks very differently among themselves. Banks in East and Southeast Asia, as well as those in Western Europe, for instance, tend to have significant holdings of the stocks and shares of the companies to which they are major lenders. Thus, loans from banks are sorts of equity contributions made effectively by co-owners. In contrast, though banks are powerful and important sources of loans for companies in the US and the UK, they are not typically co-owners of firms, nor do they supply the lion's share of investment capital. For a major share of their investment capital, firms resort to stock and bond markets (Stiglitz 1994: 254).

These differences have important consequences. Banks in the UK and the US, because they are guarantors of their subscribers' money, play what amounts to a regulatory role, lending to the credit-worthy and denying loans to the unworthy (Block 1996: 150–55). In contrast, banks in Western Europe and in East and Southeast Asia, as co-owners of large corporations, play a supportive rather than a regulative role. During economic crises, such as the 1997–98 Asian slump and the decade-long Japanese slump, banks were much more exposed to direct harm from the economic difficulties of firms in which they were both heavily invested and prime lenders. For these regions, the insistence by agencies such as the International Monetary Fund (IMF), the World Bank and the US Treasury that banks reform themselves (by writing down bad debt and selling their depreciated stock in the companies to which they were linked) has serious implications. The portion of the nation's wealth locked up in banks, and hence also the liquidity keeping the economy going, is reduced not once, but twice: first by the writing down of bad debt, and second by the sale of the depreciated stock they hold (Wade 1998: 3–24).

Another vital relationship is that between states and businesses. Once again, there are enormous differences between poor, middle-income and rich countries, as well as among the rich, concerning how and how much states lead or direct businesses and their investments. In two decades of industrial competition and strife between the US and Japan, the differences between the two were stereotyped and exaggerated. It was said that in 'Japan, Inc.', the Japanese government fixed the trajectory of economic growth, picked industries for development, subsidised innovations and rewarded winning businesses with market share and political protection (Johnson 1982, 1987). The US, in contrast, was said to be a *laissez-faire* operator, leaving businesses to rise or fall without any governmental interference, save anti-trust regulation.

Although there may have been some truth to the original comparison, the differences between the two systems became much smaller than usually supposed. Reacting to 'the Japanese threat', the US government involved itself directly in promoting the development of advanced technologies such as microchip production and the internet. During the 1980s, it financed research and development in optics, lasers and industrial materials through military spending (Kuttner 1997: 221–4). Through trade sanctions and acrimonious bilateral negotiations, the US intervened directly to support its international businesses against their Japanese competitors, even seeking to interfere with Japan's regulation of its own economy. Since the beginning of Japanese economic troubles in 1990, the US has missed no opportunity to tell the Japanese precisely how they should restructure

their economy in ways compatible with the direction of the international economy, as the US saw it (Thurow 1996: 194–208).

That said, the expansion of the state-directed Chinese economy has strengthened the hand of those throughout Asia who prefer national industrial policies administered by interventionist state bureaucracies. There is an expectation in countries such as Malaysia and Singapore, as in South Korea and Indonesia, that the state will set direction for the future and facilitate economic growth of the sort that the elites in both government and business prefer (see Deyo 1987). Although the economic crisis in 1997–98 shook some of the confidence in this arrangement, quick economic recovery did quiet some of the more strident demands made by the US and the IMF for greater separation between businesses and state, as well as between banks and businesses.

The Western European case, and to a lesser extent the larger Latin American economies, provide another alternative to US–UK claims to *laissez-faire* economic practices: corporatism. Again the state plays a starring role, except that it shares the economic planning stage with its two co-stars, business and labour. All three in concert seek to set economic policy, the conditions for production, the rate of innovation and its impact on the workforce, as well as wages and compensation. The state acts as a guarantor of good faith between the parties, the font of extra monies needed to satisfy the other two parties' demands and something of an advocate of the public interest. This last role is perhaps the most fragile, as the state elite, in the interests of its own survival, often finds common cause with the business and labour elites at the cost of its public fiduciary role (Crouch 1999).

Before pausing to consider the value implications of each of these kinds of arrangements, we need to consider the differing relations that obtain between businesses throughout the global economy. National economies differ in the way that businesses conduct their everyday transactions: the choice that every business faces is whether to perform every phase of its production itself, or whether to buy products or services from another firm (Williamson 1981, 1985). Historically, for instance, Japanese and US firms handled this problem very differently. The large US corporations generally provided for all their production and service needs through the development of specialist corporate branches and processes. Perhaps the most famous example of this tendency was the Ford manufacturing plant at River Rouge, Michigan. At one end the plant took in raw materials such as coal, iron ore and coke, and at the other end finished Ford automobiles rolled out (Lacey 1986). This model of self-sufficient production lasted until the post-war Japanese industrial revival, which relied on contracting as much of the production as possible to separate, cooperating firms. The

US response was a radical restructuring of all of its major manufacturing and service industries to mirror the Japanese model (Harrison 1994). This is the basis for the so-called 'flexible' mode of production.

Other societies resolve the problems of how to organise businesses differently. An example is Italy, which has handled the same organisational imperative by coordinating small firms into virtual, not actual, production lines. This 'small is beautiful' strategy has been successful over the past 25 years among industries composed of enterprises of no more than 10 people that, when working in a production chain, compete successfully in international markets (Blim 1990; Piore and Sabel 1984; Whitford 2001).

What we learn from these examples is that the organisation and functioning of businesses are historically fluid. Businesses must make a profit, and international competition, especially since the world economic slowdown in the 1970s, has driven most national economies to try any number of new means of institutional arrangements, labour policies and the like to obtain a market advantage (Arrighi 1994; Brenner 1998). This increases variety in one moment, and fosters imitation in another.

We have lived in a period of US dominance, in which the primary objective of US foreign policy appears to be to encourage harmonisation of economic policies worldwide around free markets and free trade. Directly or through intermediaries such as the IMF or the World Bank, the US seeks to encourage common economic practice the world over, as shown by their promulgation of the 'Washington consensus', meant as a recipe for poor country development (Stiglitz 2000). Despite these efforts, many observers believe that continued economic divergence is a more likely outcome than convergence (Kitschelt et al. 1999: 427–61; Stiglitz 1994: 254–75).

It is not just how money is made in different countries that is important. In addition, we need to examine who it is that economies serve; that is, who gets the money. Economies pay off individuals and groups directly; the state distributes the surplus it claims through taxation; both are factors affecting who benefits from a particular economic configuration.

Once again, there are differences, even among similar economies such as those in Western Europe and Japan when compared with the US and the UK. Put simply, Japan and Western Europe are 'stakeholder' economies, while the US and, to a lesser extent, the UK are 'shareholder' economies (Giddens 2000). The key is the economic surplus produced by corporations. In stakeholder economies, corporate profits go to long-serving employees; in shareholder economies, the profits go to those who own the companies' shares. This means that stakeholder economies reward the steadfast members of the corporation over the capitalist risk-taking investor, the implication being that organisational loyalty is more important to society than individual accumulation of capital.

In addition to these qualitative distinctions, the distribution of income in societies also becomes highly relevant in showing us who receives the rewards of a particular economic system. A measure such as the Gini index, which indicates the degree to which incomes are equally distributed, can be very helpful. It summarises the total results of distribution, either through direct compensation to employees on the part of corporations or through the redistribution of corporate surplus through state expenditures. We can ask the question: when all is said and done, which economies produce more equal distributions of income and which do not? We find some interesting clusters of countries. First, incomes are more equal in Western Europe and Japan than they are in the US and the UK. This is consistent with the stakeholder–shareholder distinction: corporations in Western Europe and Japan would distribute more of their surplus to their employees, a larger number, than to their shareholders. In contrast, corporations in the US and the UK would pay out larger sums to the smaller proportion of their citizens who are shareholders.

Other patterns suggest themselves. The Scandinavian countries have the most equal distributions of income, followed, with the exception of Russia, by Eastern Europe. The US finds itself in the same league as Australia and New Zealand, but most significantly, its income distribution is as unequal as the majority of poorer countries in Africa, Asia and Latin America. In what must be one of the great ironies of contemporary history, the US and China find themselves tied with Ethiopia, Tunisia and the Kyrgyz Republic, among the higher inequality countries with identical Gini indexes (World Bank 2001: 282–3).

Aside from the stakeholder distinction, what accounts for these differences? The presence of an active welfare state in Scandinavia and Western Europe, and its absence in the US, could help explain why the US finds itself in such anomalous company. In the US, the overall taxation rate, the crucial component of any welfare system, is significantly lower than its rich-country counterparts. Less money, in other words, is taken by taxation from the rich and given to the poor (OECD 2003).

Poor countries find themselves in the same position as the US, and partly for the same reasons. Once again, they typically tax less than countries with more equal income distribution and thus, like the US, have less to redistribute. In addition, and also like the US, they have powerful ruling classes that use political influence to insulate themselves from higher taxes. Thus, they have little welfare and return little to their poor.

In sum, we have looked at how economies make money and to whom they spread the rewards, and noticed significant differences. They are not only evidence of continued divergence, but also forces for continued divergence.

Different economies, different values

Perhaps another reason why complete convergence is unlikely concerns the relationship between economies and values: different economies generate and are generated by different values. To be sure, economies and values utterly incompatible with the world economy over the past 200 years presumably no longer exist. Capitalism and the rule of profit are powerful enough to discipline extreme outliers over the long haul. That said, economic differences breed value differences, and vice versa.

The economic differences we have discovered suggest significant differences in value orientations, which we can approach by using the stakeholder–shareholder distinction once more. First, employees’ institutional loyalties among stakeholders are rewarded at the expense of individual royalties for the shareholder. The relationship between persons and institutions, consequently, is valued as a social attachment rather than merely an economic relationship. While the job of the firm may be to make money, it is supposed to distribute the surplus in a way that takes care of the economic needs of its loyal members, not simply provide a wage at the market rate. This valuation of loyalty perhaps finds its fullest expression in the post-war Japanese corporate practice of lifetime employment, a commitment honoured in the breach over the past few years of economic crisis but fundamental to how Japanese business views its obligations to some of its members.

Second, there is an implicit valuation of group ties over individual abilities. In the same way that stakeholder economies value the individual shareholder less highly, so too they tend to reward employees for their role and tenure in the organisation rather than for their individual accomplishments. Compensations, bonuses and benefits accrue with time and responsibility within the firm; the competitive bidding process that occurs to hire or retain an individual person’s services in US corporation is rare. Again, the historical example of the Japanese ‘salary man’, the manager brought in, paid and promoted as a member of a cohort of fellow managers over the lifetime of their career is almost a paradigm case (Vogel 1967: 32–9). Further evidence can be found by noting the controversy over executive compensation among US corporations: Europeans find it scandalous and inappropriate, and while many Americans may agree, it is none the less the norm that US executives bargain for their salary. The proof is in the pay: the average chief executive in the US is paid three times as much as a comparable CEO in Britain and four times comparable CEOs in France and Germany (Krueger 2002: C2).

Next, consider again corporatism – the effort, primarily in Western Europe and some Latin American countries, to establish an ongoing negotiating process between labour, management and the state with respect

to vital industrial and labour policies. If we compare this sort of regime with practices in the US, for example, value differences become plain. In corporatist societies, value is placed on cooperation among parties who are urged to see themselves as part of a common effort to keep society going and growing. There is value placed upon competition, but it is usually displaced from the realms of inter-firm and labour-management relations to external, preferably foreign actors. A German company, for instance, typically has employee union members on its board of directors, and it meets regularly with its unions to plan the operation of the firm and resolve differences between sides in an industrial work council. Even competition among industrial competitors is muted, as both employers and employees are encouraged to think of the good of the industry and of the nation. The state reinforces the value of cooperation by acting as a guarantor of benefits for both sides.

In the US, by contrast, the historic antagonisms between labour and management have seldom yielded to the corporatist persuasion of the occasional president who has sought smoother industrial relations or restraints on prices or wages (Green 1980). Instead, the state has intervened to aid one side or the other at different points in time. The Reagan administration, it will be remembered, abandoned the state-as-mediator tack more typical of the Nixon–Ford–Carter years when it acted as management, fired the nation's air traffic controllers, and led a national effort to reduce the influence of unions in the country (Kuttner 1997: 99). The Clinton years were marked by an uneasy return to both limited union advocacy in government and pleas for labour-management cooperation in industrial councils. We have tried to show that these kinds of value orientations vary over time. It is still important to observe that, when compared with European orientations toward cooperation at home and competition abroad, the US still values competition among economic parties, including between labour and management. So too, it places a much more limited value on cooperation, which occurs typically in the limited cases where labour and management find their interests coinciding in a particular trade matter.

It thus appears that some societies value equality more than others. But this judgement needs refinement, as people's beliefs about equality are complicated. For instance, economic inequality in the US is treated as the outcome of economic competition among individuals for economic rewards. So long as people have equality of opportunity, Americans generally are satisfied, and such inequalities as exist are seen as a just result of economic competition. If the reader finds this argument familiar, it is because the country has been discussing the issue via disputes over the policy of affirmative action since the early 1970s. For all of the tugging of

those favouring affirmative action, the policy has been limited to equality of opportunity instead of being extended to take into account equality of outcomes (Ezorsky 1991).

Other societies define equality differently. Some seek equality of outcome as well. For example, India has sought to reserve employment and university places for disadvantaged groups such as the outcastes and indigenous tribes. In Malaysia, the state has sought to guarantee greater ethnic Malay economic success compared to ethnic Chinese by requiring Malay economic participation in most of the country's firms. It has also buttressed Malay representation in government bureaucracies through preferential hiring. Both the Indian and Malaysian cases are relatively modest attempts to achieve equality of outcome as well as that of opportunity, but they are different from the approach to equality taken by the US. One can say that they share, therefore, different values with respect to economic equality.

Differences in the national distribution of income also suggest value differences. The combination of taxation and welfare policies in Scandinavia attempts to equalise the usual inequalities that arise in industrial societies. The Scandinavians capture the surpluses produced through taxes and redistribute it through payments and services in order to reduce economic inequality. To a lesser extent, Western Europe and the former socialist countries of Eastern Europe attempt the same, though their redistributive reach does not equal that of the Scandinavians. One would be hard put to describe any of them as attempting to provide equality of outcomes. Their differences in value orientations at this level of generalisation might be described in terms of degree rather than of type.

Do the differences make a difference?

We have seen how economies are differently organised and how they are motivated by different values. The question that arises now has a deeper relevance: what is the relationship between prosperity and these different values and economic systems? If economies oriented differently are of comparable prosperity, there would be less reason to assume that one economic system is best, to be emulated by all.

We start with the simplest and most obvious question: what economies are most successful by the conventional criterion of wealth generated? An uncontroversial measure of wealth is gross national product per capita. Using figures from the United Nations Development Programme (UNDP 2002: 190–92), which converts different currencies to US dollars through purchasing-power parity, we can generate a list of the top 10 economies (Table 20.1).

It is an interesting list. With the exception of the US and Canada, it

Table 20.1 Top 10 economies, GNP per capita, 2000

1	Luxembourg	\$50,061	6	Switzerland	\$28,769
2	United States	\$34,142	7	Canada	\$27,840
3	Ireland	\$29,886	8	Denmark	\$27,627
4	Norway	\$29,918	9	Belgium	\$26,765
5	Iceland	\$29,581	10	Austria	\$26,765

is composed of Scandinavian and Western European nations with fairly robust welfare states. Once more with the same exceptions, it features Western European and Scandinavian societies that organise the interests of labour, capital and the state along corporatist lines (Crouch 1999: 349–52). Thus it seems that a variety of economic orientations, albeit confined to the parameters we have discussed in this chapter, can produce reasonable economic outcomes.

Suppose we ask a more demanding question: can a variety of economies achieve a broader set of goals more closely related to the concept of human well-being? We can measure well-being with the UNDP's 'human development index' (HDI), developed by Amartya Sen. The index is based on three components (Sen 1999: 23): 'indicators of longevity, education and income per head – it is not exclusively focused on economic opulence (as GNP is)'. The income component of the HDI is measured as gross domestic product per capita, and uses World Bank data for this (see UNDP 2002: 193). For longevity, the index uses average life expectancy at birth. The education part of the index is calculated by combining the adult literacy rate with the proportion of population aged six to eight enrolled in primary school. This generates a list somewhat different from our earlier one (UNDP 2002: 190–92) (Table 20.2).

What is interesting about this list is that the countries' scores are virtually identical (they are separated by 0.012 of a point), which means that they provide roughly the same quality of life, while their incomes vary widely. Among these 10, incomes range from the \$34,142 per person in the US to \$24,277 per person in Sweden. Put another way, Sweden produces

Table 20.2 Top ten economies, UNDP Human Development Index, 2000

1	Norway	6	United States
2	Sweden	7	Iceland
3	Canada	8	Netherlands
4	Belgium	9	Japan
5	Australia	10	Finland

a quality of life equivalent to that in the US, while spending only 70 per cent of what the US does. Thus some societies produce more well-being for substantially less money than others do.

What explains the ability of some societies to produce equivalent well-being for less? The answer is highly redistributive welfare states. Societies such as Austria, Belgium and Denmark collect more of the gross domestic product in taxes and redistribute it to their citizens in the form of income and services than does, for example, the US. Called 'high-income, high-equity societies', they succeed in keeping their overall economic inequality very low – about 40 per cent lower than the US (Dollar and Collier 2002: 122).

Suppose we go one step further, and use an index that reflects the degree of relative equality between the sexes, in addition to the measures used in the HDI. The UNDP (2002: 222–3) has constructed an index that incorporates gender differences in life expectancy, literacy, school enrolment and income. The more equal the outcomes between men and women, the higher a country's ranking is. The result is shown in Table 20.3.

Table 20.3 Top 10 economies, UNDP gender-related development index, 2000

1	Australia	6	United States
2	Belgium	7	Iceland
3	Norway	8	Finland
4	Sweden	9	Netherlands
5	Canada	10	United Kingdom

The two human development indexes, one accounting for gender equality and the other not, produce lists that are virtually identical. The exception is that Japan, ninth on the HDI, falls below the top 10 on the 'gender-related development index', its place taken by the UK. But the overall similarity between the two indexes suggests that human development and gender equality, at least as measured by the UNDP, go hand in hand.

Thus, between the three indexes, the differences in countries at the top are slight. In all, only 16 countries are in the lists. This is a narrow range of countries – the 'top' by measures of income, well-being and gender equality. This should caution us against making sweeping claims that wealth generation is a secondary matter or that a very wide band of values can produce successful economies. Neither is warranted. The range of variation among the 173 countries surveyed is vast, and no doubt we could learn lessons from study of them all.

Still, among the societies measured, there are important differences. We can argue two things. First, wealth can be generated by economies that differ from each other in some important respects. Second, well-being, here measured by the HDI and the gender-related development index, can be achieved in societies whose economies differ by the degrees or qualities we have described. Perhaps these points are strong enough to allow us to countenance satisfactory economies that can be based upon a variety of different cultural values.

Our inquiry, then, suggests that culture and economy are related in interesting ways, and that changes in one variable can lead to changes in the other. It is also useful to note that societies have some freedom of choice in the values they actuate and still produce workable economies.

Note

1. For an argument claiming that there is a great diversity of 'Asian values', no one set of which is responsible for economic development in the region, see Sen (1999: 231–48).

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21 Economy and religion

Simon Coleman

Most of the time we were anxious to secure and build up wealth for exchanges. Ritual experts came and made spells for us around the centre post of our men's house. The expert took a cassowary bone dagger he had and said 'Some men have planted stakes in your ground, now I'll make a spell and dig them out for you'. He meant that rival ritual experts had secretly planted little stakes in our ground to prevent wealth from coming to us. (Strathern 1979: 64)

What are we to make of this statement? The first thing to note is the identity of the speaker: a New Guinea 'big man' named Ongka. He is providing an account of his life in which he discusses his childhood, his wives, the wars he has fought and the various ways in which he has deployed material resources to gain prestige and the precarious authority associated with being a local leader. Ongka is clearly an intelligent and articulate person. But his description of the process of acquiring wealth might at first seem very strange to Western eyes. We are more likely to attribute relative poverty to bad luck, lack of opportunity or perhaps laziness than to the presence of concealed stakes in the ground. Our attempts to gain resources probably do not involve the use of spells uttered by ritual specialists. And, once we have achieved material success, we are unlikely to perceive our new status primarily in terms of our ability to carry out ceremonial exchanges with others.

Ongka's narrative prompts us to ask questions about the connections between economy and religion that will be at the centre of what I have to say in this chapter. Should we regard these two spheres as ideally distinct from each other in all societies, in common with the assumptions of many people in the West? Or are the connections between them inevitably much stronger than we might imagine, both in the West and elsewhere in the world? To what extent should Ongka's reasoning be seen as displaying a misguided reliance on spiritual methods to obtain material ends? And, if his assumptions about how to produce wealth seem very odd, what about his evident desire to consume such wealth in ritualised exchanges with others rather than to engage in the accumulation or investment of hard-won assets?

In addressing such questions, I shall focus on three broad and interconnected themes that have proved important points of debate within

anthropology: first, the connections between economy and other aspects of culture, including religion; second, the complex question of rationality, which has been central to the anthropological study of both religion and economics; third, the issue of modernity and religion, and the validity or otherwise of the idea that the consolidation of modern capitalist society has entailed a radically new conception of the connections between faith, production and consumption. Finally, in a summarising section, I shall briefly examine an occasion presumably familiar to most if not all of the readers of this volume, no matter what their religious affiliation: Christmas. This festival can be seen as a global event that re-presents in microcosm many of the questions I address elsewhere.

The embeddedness of religion and economy

Economic anthropologists frequently distinguish themselves from economists by stating that their pragmatic, grassroots approach provides a much richer and more nuanced view of material processes than is evident in conventional economic theory. In a similar way, anthropologists of religion like to regard themselves as providing a more complex view of 'lived' religion than theologians, who are seen as focusing on elite texts rather than practices on the ground. Whatever the validity of these assumptions, they generally rely on the idea that participant observation, involving long-term and in-depth acquaintance with a local context, will reveal initially hidden connections and tensions between various aspects of life and social organisation. Michael Lambek (2002: 2) notes that anthropologists' holistic approach encourages them to see 'religious' (and, one might add, 'economic') facts as parts or dimensions of larger social and cultural wholes.

In practice, much ethnographic fieldwork has been carried out in cultural contexts where people draw the overt boundaries between activities in ways rather different from those maintained by the average business executive in the West. Thus, we saw how Ongka talked of spells and wealth in the same breath. We might also mention here the work of an economic historian, Karl Polanyi, whose ideas have resonated with much ethnographic analysis (see. Gudeman 2001: 17; Hefner 1998: 9; see Isaac chap. 1, *supra*). For Polanyi, in so-called pre-market or pre-capitalist societies the economy can be seen as 'embedded', with activities working through tightly knit social relations such as kinship or wider political and religious institutions. In contrast, the market supposedly involves a 'disembedded' economy, which is increasingly autonomous from social relations while simultaneously coming to dominate them.

There are many reasons to criticise Polanyi's approach: for instance, it maintains an evolutionary and simplistic perspective on different types of

human society. However, for the time being we need to retain the important idea of economic activities working *through* other social relations, including those articulated by religious ideologies and practices. Kottak (2002: 175) summarises this notion by stating that the economic relationship between co-workers in at least non-industrial contexts is one aspect of a more general social relation. People are not just fellow labourers but also kin, in-laws or celebrants in the same ritual: economy is clearly embedded in society.

Let us look briefly at the work of one anthropologist to find out how embeddedness might become manifest in a real case. In her book *Power, prayer and production: the Jola of Casamance, Senegal*, Olga Linares (1992) starts by examining two important features of Jola society: the highly developed wet-rice system, and the greatly elaborated spirit-shrine system. Her point is that these two are inextricably connected. Within the local political economy, control over important resources such as raw materials and instruments of production is ultimately in the hands of spirit-shrines and their representatives, the shrine-keepers, who are also elders of the community. The spirits (acting through shrines) are not purely transcendent entities that are seen as separate from society: they are directly implicated in political and economic matters, and need to be placated with care. Not only can they help with farming and the fertility of crops, they may also bestow illness or favours on particular individuals or groups, or even compel cooperation among semi-agnates. Thus, in this society politics, economics, religion and kinship come together in ways that are perhaps most obviously crystallised in the workings of shrines, but are nevertheless evident in all activities of life. If we saw earlier how Ongka linked spells and exchange, Linares can be seen here as tracing the social and cultural links made by the Jola between prayer and production.

The Jola present attitudes to the spiritual world that indicate the apparent closeness of non-human forces to everyday, material life. We come to understand how the anthropologist must uncover the wider cosmology, the worldview, of a given people and then see how it is made up of activities that in the West might be distinguished and termed economic, political, religious and so on. However, one of the questions such an approach poses is the extent to which widely separated peoples, who none the less share certain characteristics relating to their subsistence activities, might also display parallels in cosmology. Nurit Bird-David (1992) addresses this issue in a paper that examines what she calls the 'cosmic economy' of three distinct hunter-gatherer societies. These societies are linked by 'immediate return' systems; in other words, those where people consume the results of hunting or gathering within a short space of time, without storing or preparing it in elaborate ways. Bird-David notes that

the Nayaka of India, the Mbuti of Zaire and the Batek of Malaysia each maintain 'animistic' notions that attribute life and consciousness to natural phenomena such as forests or river sources. These natural agents socialise with humans: for instance, during the Mbuti *molimo* festival the forest visits the camp, plays music and sings with the people, while once a year the Nayaka hold a festival where they dance, sing, eat and even share cigarettes with natural-cum-ancestral spirits, which they invoke by shamanistic performances. Bird-David shows that while mainstream Western cosmologies tend to construct a division between humans and natural agencies, these hunter-gatherers view their world as an integrated entity, assuming the presence of a system of sharing that embraces both human-to-human and nature-to-human sharing. Underlying such attitudes is a further key distinction from mainstream Western models of both the economy and nature: the assumption of an *abundance* of resources in the social and physical environment, rather than the inherent scarcity posited by economists.

Thus, if we are to explain these hunter-gatherers' 'peculiar' economic behaviour we must relate it to perceptions of nature, human-spirit relations and the very idea of what a resource might be. Both Nurit-Bird's work and that of Linares also prompt further questions, with Marxian implications, that have troubled anthropologists. To what extent can we argue that a society's economic base has a determining effect on its culture, including its religious forms? After all, we have seen how three distinct groups of hunter-gatherers have displayed some remarkable similarities in cosmological assumptions. Furthermore, can religion be seen as acting to justify particular economic and political relationships, maintaining the status quo to the benefit of some but at the cost of others? This latter question may seem less immediately relevant to hunter-gatherer societies but it becomes more salient in others, such as that described by Linares, where religious, political and economic authority over others are obviously linked. In this vein, Crapo (2003: 240) has recently described the function of religion in reinforcing economic differences between subgroups of society by looking at versions of the Hindu caste system in India (see Harriss chap. 31, *infra*). In Crapo's view, caste can be seen as a religion-based system of social classes, each of which has its own ritual obligations and appropriate occupations. Traditionally, the system maintained four main castes (priests at the top, followed by rulers, merchants and farmers, and finally unskilled labourers) and a further category of 'outcastes' that was legally abolished in 1949. Each caste was further divided into *jatis*, occupational categories whose membership was determined by birth, and complex sets of rules governed acceptable foods, marriage, and social associations with other *jatis*. Outcastes performed the most menial

and symbolically polluting work, such as removing dead animals from a village, working with leather and disposing of rubbish, without being permitted to visit a village temple, use the village well or even let their shadow fall on a person of an upper caste. Given that birth into caste was understood to be the natural result of one's behaviour during past lives, religious belief could be seen as perpetuating the status quo, including the economic differences between people.

This description of caste certainly illustrates the potential power of religious attitudes to define social positions, although one of the problems with it is its rather static and consensual character, which does not reveal the many (heated) negotiations over status that are likely to characterise relations between occupational categories. We shall return to the caste system later in this chapter, just as we shall revisit the key question of whether religion and economy can be seen as having determining influences on each other in human societies. For the time being, we have established some of the ways in which religion and economy can be mutually embedded in social and cultural contexts that comprehend, and transcend, them both.

Questions of rationality

Returning briefly to the contrast between the disciplines of economic anthropology and of economics, we can see that the distinction between the two is more than just a question of complexity or nuance in understanding what makes up 'the economy' in any given society: it can also raise issues relating to the universality or otherwise of aspects of thought. As Wilk (1996: 120) puts it, Western microeconomics defines rationality as a form of instrumental and inexorable logic based on goal-seeking and efficient allocation of resources. Humans are assumed to make 'rational choices' to maximise benefits to themselves, and material values are in effect reduced to a single dimension or measure (Gudeman 1998: xi). This kind of argument has clear links with the assumption of scarcity mentioned above: resources are said to be inherently in demand, and humans described as inevitably competitive and self-interested in the pursuit of such resources.

Such an approach, which I have somewhat caricatured here for the sake of brevity, poses some immediate questions for anthropologists. Can we, should we even try to, identify 'rational actors' in non-Western societies? Should we assume that Western economic behaviour is always itself rational? And how do we measure the presence or absence of the maximisation of resources? More importantly, for the purposes of this chapter, where does rational choice theory leave the study of religion: should it merely be seen as an arcane examination of the irrational?

These questions are of particular importance to anthropology not only because they prompt comparative questions about humanity, but because they also evoke old evolutionary spectres of whether we are to define other peoples as more 'primitive' than ourselves (according to criteria chosen by scholars in the West). Again, anthropologists of religion and of economics display a parallel interest here in understanding the modes of thought and action of all human cultures (Tambiah 1990: 3).

Central to such debates in economic anthropology has been the analysis of ceremonial exchange. When New Guinea big men such as Ongka deploy and 'use up' huge resources in raising the pigs necessary to engage in ritual exchanges with competitors, or when the Trobrianders described by Malinowski (1922) risk life and limb to sail between islands exchanging apparently 'useless' armshells and necklaces in a system called the *kula* (see Strathern and Stewart chap. 14, *supra*), can these actions be seen as lacking in 'common sense'? Can they be shown to indicate the pernicious effects of religion and ritual on non-Western societies? At one level, they can be reinterpreted as means of maximising prestige, articulated through the idiom of material exchanges. However, according to some writers it may also be possible to discern another kind of 'rationality' to them, associated with deeper societal logics. One interpretation of the *kula*, for instance, is that it can act as a kind of regional peace-pact under the auspices of which otherwise hostile peoples carry out the trade essential to their ecological setting (Keesing 1981: 202). A similar argument can be made for the famous potlatch ceremonies carried out as part of regional exchange systems among tribes of the North Pacific Coast of North America (Kottak 2002: 180–82). At such events, potlatch sponsors gave away food, blankets, pieces of copper and so on. Again, prestige was an obvious product of such exchanges, but rather than being seen as an economically irrational drive for such an intangible resource the potlatch might also be interpreted as setting up links between villages and groups that could be drawn upon in times of scarcity that affected some areas and not others. This kind of reasoning has reached its apogee in the work of Marvin Harris (1974, 1978; Kottak 2002: 311), and most famously in his explanation for the treatment of cattle in India. Harris notes that the taboo against eating cows in India – indeed, the treatment of this animal as sacred – might seem to constitute an example of how nonsensical religious beliefs stand in the way of rational decision-making. After all, beef could be used as a valuable food resource in a country where nutritional scarcity has been common. Furthermore, Indian cows are decidedly scrawny creatures in comparison with the massive beasts in the West, which are prized for their high yields of beef and milk. Yet, argues Harris, there is a perfectly good, rational and economic logic to religious attitudes in the

Indian context: thin cattle are well able to pull ploughs, but do not demand expensive food from their owners. In addition, they produce valuable manure and dung that can be used as cooking fuel.

We need to examine such reasoning more closely, and here I mean the reasoning of the anthropologists rather than of the people studied. It is true that a classic ethnographic strategy is being displayed here: what seems puzzling (to the observer) is being given a deeper explanation that can be translated into Western logics, thus illustrating the fact that we should not dismiss others as merely deluded in their actions. But we might ask with Wilk (1996: 122) whether in fact we are merely discovering what people do and then inventing a (to us) plausible reason for it? How on earth can we prove whether Harris's claims are correct or not? The rather one-dimensional rationality that is being discovered is being presented from the viewpoint of the distanced observer. In addition, there is some slippage between the idea of the rational *individual* responding to circumstances and what might be deemed rational or functional at the level of *society*.

It is perhaps more profitable to draw some slightly different conclusions from these ethnographic examples: that 'religion' cannot be seen as inherently rational or irrational in nature – indeed, it may not be easily discernible as a distinct entity in any case; that there is likely to be more than one sustainable way to produce food, worship gods and exchange goods in any given environment; and, above all, that humans everywhere can act in goal-oriented ways, yet not only the goals, but also basic understandings of causality and agency, can vary hugely across societies. These issues will be developed further in the next section, which looks at the 'cultures' of rationality and economic behaviour in Western societies.

The culture(s) of capitalism

Remember, that *time* is money. He that can earn ten shillings a day by his labour, and goes abroad, or sits idle, one half of that day, though he spends but sixpence during his diversion or idleness, ought not to reckon *that* the only expense; he has really spent, or rather thrown away, five shillings besides. (Weber 1992 [1904–05], original emphasis)

The speaker (or rather writer) here is clearly not Ongka: in fact, it is Benjamin Franklin, eighteenth-century American statesman, philosopher and economist. Franklin's words avoid mention of spells and link production instead to the hard work of the individual. Lack of wealth is not attributed to the evil intentions of others, but to the slothfulness of the self. Thus, Franklin is not only describing a state of affairs (and one where even time is harnessed to the forces of production and monetary quantification)

but also exhorting his readers, as if in a secular sermon: remember this lesson, lest you fall into idleness.

Franklin does not mention God or other spiritual beings in this passage. But we perhaps recognise the traits of what even today we term the 'Protestant work ethic': the sense of finding meaning in toil; the fear of idleness; the calculability of existence, and hence the creeping sense of guilt in leisure. We see depicted here almost the opposite of what the economic anthropologist Marshall Sahlins (1972) called the 'Zen mode of affluence', with his spiritual metaphor describing what he felt was a characteristic lack of urgency in the subsistence strategies of hunter-gatherers. However, the location of the passage is also significant because, in the form reproduced here, it is being quoted (Weber 1992 [1904–05]: 48) from a work that has had a profound influence in not just anthropological, but also more generally social scientific, understandings of the complex links between religion and the economy: Max Weber's *Protestant ethic and the spirit of capitalism*.

Weber's book first came out in 1904–05. As a sociologist he was writing in the shadow of Karl Marx and yet still in the context of a wave of scholarship that was attempting to understand the continued emergence of rapidly industrialising, capitalist, states in Europe and North America. For our purposes, his work is important because it provides an alternative to the Marxian emphasis on the role of the economy in profoundly influencing cultural forms, including those of religion. Taken as a whole, Weber's work also attempts a sweeping comparative analysis of all of the world faiths in explaining the emergence of modern capitalism in a particular part of the world at a particular time. And, finally, his conclusions suggest some of the reasons why mainstream Western thought remains so keen to separate out the religious from the economic sphere, in rhetoric if not necessarily in practice.

Let us start with the historical comparisons Weber draws up. His term 'economic ethic' points to the practical impulses for action (embedded in the worldviews of past and present civilisations) that are obviously influenced by, among other things, particular religious ideologies. He argues that while the economic preconditions for modern capitalism may indeed have existed in such contexts as China, India, Babylon, the classical world and the European Middle Ages, these places and eras lacked positive ideological sanctions to abandon the restraining forces of tradition. Furthermore, in certain key respects, such religions as Buddhism and Hinduism actually encouraged an orientation towards other-worldly, non-material values.

What, then, was different about the economic and religious forms that appeared in northern Europe in the wake of the Reformation? It was more

than a matter of the growth of cities or the presence of certain favourable characteristics of the environment; it was a matter of a new spirit, or ethos. For Weber, the Protestant Reformation changed people's ideas about God, fate, work and the individual (Wilk 1996: 111). Early Calvinists taught that, faced with the omnipotence of God, each person's fate, including the chance of salvation, had been preordained or 'predestined' before birth. However, success in this world could be taken by the believer as a sign of God's saving grace; productive work could gain meaning in itself as a sign of piety; and the wealth resulting from labour could be reinvested in further success. In these terms, indulging the pleasures of the flesh could be condemned as involving an irrational use of wealth as opposed to the divinely sanctioned and utilitarian deployment of resources for the benefit of the individual and the community (Campbell 1987: 101). The twin rhetoric of the Catholic Church in condemning pursuit of money (despite the Church's evident riches) and advocating acceptance of one's social station in life was subjected to a form of iconoclasm that built dynamism into the new economic and religious practices. If Catholics were more concerned with immediate happiness, Protestants were more ascetic and future oriented, just as the focus on the striving individual encouraged a relative lack of embeddedness in kinship ties or specific communities (Kottak 2002: 318).

Weber is not arguing here that Calvinists consciously created the rational calculation, cognitive abstraction, work ethic and materialist orientation inherent in modern forms of capitalism. However, he is suggesting that a worldview was emerging whose chief characteristics were those necessary for the new economic system to take off. Thus, he notes (1992 [1904–05]: 180):

One of the fundamental elements of the spirit of modern capitalism, and not only of that but of all modern culture: rational conduct on the basis of the idea of the calling, was born . . . from the spirit of Christian asceticism. One has only to re-read the passage from Franklin, quoted at the beginning of this essay, in order to see that the essential elements of the attitude which was there called the spirit of capitalism are the same as what we have just shown to be the content of the Puritan worldly asceticism, only without the religious basis, which by Franklin's time had died away.

Note how Weber moves here from Christianity to capitalism to culture, since it is important to him to define the spirit of what we now call modernity. The latter comprises a package of ideas and practices that comprehend not just modern markets but also the growth of secular science and the all-pervasive spread of supposedly impersonal bureaucracies that underpin the modern state. Whatever their differences, Marx, Weber

and the great social theorist Émile Durkheim each posited links between modern market culture and secular individualism (Weller 1998: 78). For Weber, the central process was that of 'rationalisation', not exactly the 'rationality' described above but a process whereby quantification and calculation began to pervade all of existence. Such rationalisation could lead to a 'disenchanted' world, retaining the general principles of modern capitalism rather than the specific ones of Protestant Christianity, and Weber's (1992 [1904–05]: 181) characterisation of the era in which he himself lived is both magnificent and apocalyptic in its bleakness of vision:

The Puritan wanted to work in a calling; we are forced to do so. For when asceticism was carried out of monastic cells into everyday life, and began to dominate worldly morality, it did its part in building the tremendous cosmos of the modern economic order. This order is now bound to the technical and economic conditions of machine production which to-day determine the lives of all the individuals who are born into this mechanism, not only those directly concerned with economic acquisition, with irresistible force. Perhaps it will so determine them until the last ton of fossilized fuel is burnt. In Baxter's view the care for external goods should only lie on the shoulders of the 'saint like a light cloak, which can be thrown aside at any moment.' But fate decreed that the cloak should become an iron cage.¹

It can be argued that Weber's depiction of modernity is far too grey, even black, in its outlook, that his assumptions concerning the inexorable triumph of secular, rational bureaucracy involve a rather one-dimensional view of modern life, as well a simplistic understanding of the supposed conservatism of previous eras. The details of the evidence he draws on have also been disputed. However, there is much of value in his presentation of the contingencies of history. While he is too complex a thinker to be understood as simply reversing Marx's embedding of culture in the economic base, he is attempting to show how ideas can become effective forces in society and social change, and therefore how economic activity itself needs to be understood in the context of religious and other beliefs. In this regard, his work resonates with anthropological attempts to understand experientially what it is like to live, and think, in other cultures.

One well-known work that has clear Weberian overtones (though it does not examine Christianity) is Clifford Geertz's *Peddlers and princes* (1963; see Wilk 1996: 124), where the author contrasts the entrepreneurialism of a Muslim commercial market town in Java with the traditionalism of a Hindu town of nobles and peasants in Bali. A more complex deployment of Weber is evident in Jean and John Comaroff's work on the impact of colonial, Christian culture on a southern African context (1989). They show how, in the early part of the last century, British nonconformist missionaries attempted both to convert and to civilise the 'lazy' Tswana.

In this process, changing local attitudes to labour, time, space and even the self were as important as prompting discussions of the Christian God. Conversion was therefore as much about mastery of the apparently mundane world of work as it was about theology: the well, the irrigation ditch and the plough were all critical to the construction and dissemination of the Protestant worldview.

The Comaroffs share something of Weber's emphasis on the relative unpredictability of history, as the missionary encounters with African models are shown by them to be far from straightforward in their effects. In fact, a key aspect of another of Jean Comaroff's works (1985) on southern Africa is precisely the observation that, in encounters between local people and the modern world-system, religious practices (for instance in the form of black-run Churches of Zion) can contest the assumptions of colonialism even as they are created out of missionised contexts. This sense of the ambiguity of religion, as potentially a force for revolution or resistance as much as a justification for repression, is present in much ethnographic work, and it often entails a further ambiguity as to the extent to which such ideas are consciously articulated by those who hold them. Michael Taussig, in his well-known work (1980, 1998 [1977]) on the encounter between 'proletarianised' Colombian peasants and the wage-working economy of sugarcane plantations in the Cauca Valley, notes the belief among peasants that some among their number enter into secret contracts with the devil in order to increase their production and their wage. In Taussig's view (expressed largely in the language of Marxism), such belief contains, within a religious idiom, an inherent yet largely implicit critique of the alienation created by the newly impersonal economic conditions that surround peasants. Thus (1998 [1977]: 476): 'While the imagery of God and good, or the spirits of Nature and of ancestors, dominate the ethos of labour in the peasant mode of production, the devil and evil permeate the local metaphysics associated with the capitalist mode of production'.

If Weber's work clearly raises questions concerning the interactions between economic and religious orders, it has also prompted contemporary scholars to ask whether modern capitalism need necessarily be yoked exclusively to Western (post-Protestant) cultural forms, as well as to investigate the extent to which disenchantment and secularisation really seem to be inexorable aspects of modernity. These issues are addressed in an edited volume by Robert Hefner (1998) called *Market cultures: society and morality in the new Asian capitalisms*. The title is significant not only because it refers to Asia and not the West, but also because it talks about 'capitalisms' in the plural. Hefner's basic point (1998: 1) is that the economic growth regarded by some theorists as only realisable

within the framework of Western civilisation has clearly taken hold in numerous non-Western settings, including the industrialising countries of East and Southeast Asia. However, as these developments have occurred, it has become evident that the details of market relations as they are understood in the West cannot be regarded as universally applicable. Far from being a disembodied and neutral economic mechanism, capitalist development must be seen as being constantly re-embedded in different cultural and societal frameworks. As a consequence, Japanese capitalism may be different from its Chinese or American counterparts, and so on. For instance, Chinese capitalism (1998: 12) often builds powerfully from paternalistic relationships of trust, thus constituting something of a counterexample to Weber's claim that the diffusion of modern capitalism would bring about the general demise of personalistic ties in favour of faceless bureaucracies. (Though of course we can also question the extent to which even Western bureaucracies are always that faceless.) Similarly (1998: 25–6), secularisation seems not to have inevitably accompanied the globalisation of capitalist forms: in Taipei, Bangkok and Jakarta the spread of new jeans and American fast food proceeds alongside the channelling of wealth into heightened religiosity: market growth and religious revival are not mutually exclusive. In the same volume, Weller (1998: 78) argues that in recent decades a number of cultures in Asia, including most notably those influenced by Islam, have embraced the market while rejecting the ideology of individualistic market culture as a Western phenomenon. Some intriguing recent work by Daromir Rudnykyj (for example, 2009) has explored the apparent affinities between spirituality and commitment to the workings of a steel firm in Jakarta, Indonesia. Rudnykyj observed how the firm's managers used a spiritual reform programme combining Islamic teachings, business principles and popular psychology in order to encourage employees to rise to the challenge of achieving higher productivity in an increasingly competitive, 'neoliberal' market.

Complementarities between religion and capitalism are not just to be found in Asia, of course. It is also obvious that Western society has not become entirely secular, and that indeed the wealthiest of Western nations, the USA, is also probably the most religious if measured in terms of expressed belief in God and willingness regularly to attend a place of worship. One striking development in the spiritual lives of Europeans and Americans over the last three decades has been the success of the New Age movement, an apparently non-institutionalised, eclectic mixture of personal therapies drawn from past and present cultures. Despite the environmentalist rhetoric of much of the New Age, Paul Heelas has shown that it contains a highly materialist strand. Thus he refers (1996: 58ff.) to

the development of 'seminar spirituality' over the last 25 years, and to the fact that neo-pagans, magicians, healers and others interested in the occult are ostensibly focused on what lies within, but are often perfectly willing to employ 'wealth magic' to seek what lies without. One might argue that such magical thinking in our own society can be efficacious not only because it is imaginatively compelling, but because it also opens up ideal realms of possibility towards which people can strive using conventional, technical action. Indeed, since the 1960s many New Agers and related followers of new religious movements have moved away from their antagonistic attitude to the capitalistic mainstream. Sanyasins, followers of Bhagwan Shree Rajneesh, have even become involved in developing specialist training seminars for companies such as IBM.

The important point from an anthropological point of view is that we do not automatically condemn religious movements that combine spirituality with prosperity seeking as by definition 'inauthentic' (see Coleman 2000). Western culture contains within it many ideological sub-divisions, some of which do not necessarily regard money as the root of all evil. The latter is an attitude that derives in part from dire New Testament warnings about the corruptions of wealth and the purity of poverty (Wilk 1996: 106); yet, we should not regard the partial and idealised admonitions of a single religious system as the norm for all forms of religion and spirituality. In the decades since the Second World War, a powerful and increasingly global impulse within Christianity has been that of the so-called 'Prosperity' or 'Health and Wealth' movement, involving the expression of faith in the idea that God blesses believers with material and physical well-being. In certain respects, such a view represents a sharp movement away from the Protestant Ethic advocated by Benjamin Franklin and analysed by Weber: prosperity in this world comes magically to the possessor of faith, bypassing the significance of hard work and rational planning. Jean and John Comaroff, in influential writings produced over the last decade, have characterized such Prosperity ideas as one example of what they have called 'millennial capitalism' (for example, 2000), an often-messianic faith in the powers of magical, speculative engagement with the abstract market, and one that is frequently professed by the poorest in society as well as the better off. The convictions promulgated by such neo-magical thinking are frequently controversial, and the front page of a recent issue of the magazine *The Atlantic* (December 2009) even suggested that there might be an ironic link between Prosperity thinking and the credit crisis that spread across the world from 2008. Above a picture of a cross with a 'For Sale' sign attached to one of its arms, the headline read: 'Did Christianity Cause the Crash? How Preachers are Spreading a Gospel of Debt'. Away from such hyperbole, Bill Maurer (2010), in a thoughtful comment on what

he calls 'Credit crisis religion', notes how the financial crash involved the return of social, state intervention to solve the problems caused by the supposedly self-regulating, autonomous sphere of the market.

Consuming Christmas?

Some years ago, I read an article about a Japanese department store. Apparently, the management had cottoned on to the potential of Christmas as an opportunity to sell more goods, and so they had decided to promote it within their store, despite its Christian associations. As a symbol of the festival the managers pinned what they assumed would be an appropriate statue on a wall: a figure of Father Christmas, crucified on a cross.

It is easy to make fun of this example and to regard it as a silly misunderstanding of Western culture. One response to such thinking might be to point out that most people in the West would be unlikely to do much better if required to explain the central symbols of Japanese religious festivals. More importantly, however, the example points to an interesting cultural phenomenon: the globalisation of Christmas, and its apparent removal from Christian contexts and recontextualisation in contexts of market consumerism.

I have chosen Christmas as the main theme of this short concluding section precisely because it offers this juxtaposition of religion and the market. Often people tell each other that 'It's all so commercial nowadays', or 'People don't seem to understand the true meaning of Christmas anymore'. Whatever our responses to such claims might be, we can be sure of the fact that Christmas is a hugely popular event at a time when ritual and religion, at least according to a certain Weberian perspective, should be on the wane.

Such issues are raised in a volume edited by the economic anthropologist Daniel Miller, in which contributors discuss the ways in which Christmas is celebrated in very different cultural contexts. One of the first points made by Miller (1993: 3) is a deeply intriguing one: that Christmas appears not to have been a particularly important part of national consciousness in the West until the nineteenth century: indeed, the Puritans had been opposed to its celebration. The emergence of the festival in the somewhat Dickensian form we now recognise it in English-speaking countries – incorporating a Christmas tree from the German tradition, the filling of stockings from the Dutch, Santa Claus from the US and the Christmas card from the British – coincides with a period of massive industrialisation, commercialisation and urgent discussions over the continued significance (or otherwise) of religion in society.

According to Miller and many of his contributors, modern Christmas simply could not exist without an intimate connection with materialism,

but this does not mean that we have to see this mixture of ritual (and, at least implicitly, religion) with economic values as a fall from grace in relation to some putative golden age of ascetic altruism. As James Carrier points out in his contribution (1993: 55ff.) on the American Christmas, this festival can be seen as one where apparently anonymous commodities are transformed by people into socially implicated gifts. Christmas shopping is not usually a casual affair, but is an intense activity in which the effortful choices and expenditures help create a sphere of family love in the midst of the world of money (Carrier 1993: 61–3). Of course one can ask, how religious is such activity? Providing an answer might need another chapter, but we can certainly see elements of self-sacrifice in relation to higher ideals such as the family or friendship. We also see how aspects of the economy and aspects of an ostensibly religious festival are conjoined in relations of simultaneous opposition and mutual dependence. This is perhaps a good moral for our understanding of many of the relations between ‘religious’ and ‘economic’ spheres, even in cultural contexts where they are depicted as being mutually exclusive.

Note

1. The Baxter referred to here was a writer on Puritan ethics.

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22 Economies of ethnicity

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Ethnicity is often said to be an irreducibly dual phenomenon in that, by definition, it comprises aspects of both symbolic meaning and instrumental utility. Ethnic *identity* offers the individual a sense of belonging and contributes to group cohesion, while ethnic *organisation* serves the mundane interests of its members (or at least its leadership), to do with politics and economics. It is therefore uncontroversial to state that ethnicity has an important economic dimension, even if the bulk of recent research in the field has been concerned with processes of identification and identity politics rather than economic processes.

The economic aspects of ethnicity are diverse, and range from occupational differentiation in poly-ethnic societies and entrepreneurship in ethnic networks to transnational economies connecting members of the same group living in different countries, indigenous forms of subsistence encapsulated by capitalist economies, and formal as well as informal forms of ethnic hierarchy. Since ethnicity by definition entails social networks of reciprocity and mutual commitment, economic activity engaged in by, and organised through, ethnic groups is common, but its form depends on their social organisation.

On encountering economic systems where there is an observable differentiation along ethnic lines, two explanations are typically invoked. First, the differences in economic activity may be seen as a result of *cultural differences*, in that each group possesses certain cultural resources making its members particularly well qualified to undertake particular forms of economic activity by choice, by tradition or both. Second, the differences may also be seen as a result of *structural factors*, such as systematic power differences, that channel the economic activities of different groups in certain ways, for example by denying members of particular groups access to the higher echelons of business or public administration, or simply through historically inherited hierarchies. Although this distinction may sometimes have analytic value, it is often difficult in practice to maintain a contrast between structural and cultural explanations, as they reinforce one another. As the examples below will show, the two kinds of explanation should be seen as complementary.

Moreover, it can be useful here, as in economic anthropology generally, to distinguish between analytic perspectives emphasising *individual*

agency and *systemic processes*, respectively. Again, though, while empirical studies tend to privilege one over the other in practice, these should be seen as complementary perspectives rather than irreconcilable opposites.

The three dualities of ethnicity that I have mentioned – meaning versus utility, social structure versus culture, individual agency versus systemic processes – make up the scaffolding of this chapter, or the conceptual space which frames the discussion that follows. First, though, some general points need to be made about ethnicity.

Some relevant elements of ethnicity

Ethnicity appears whenever there is an ongoing, conventionalised relationship between individuals who conceive of themselves as belonging to culturally distinctive groups with different origins (for a full review of the concept, see, for example, Banks 1996; Eriksen 2010). The social importance of ethnicity may vary from nearly nothing to nearly everything. In North America, for example, many citizens of European descent claim allegiance to ethnic identities – Italian, Swedish, Ukrainian and the like – that have little importance in their everyday life. Economically, they participate in the greater society on a par with everybody else.

It may be useful to distinguish between four degrees of ethnic incorporation. Following Handelman (1977), ethnic *categories* exist whenever people conventionally distinguish each other on the basis of imputed cultural or racial characteristics. Ethnic *networks* exist whenever certain coveted resources flow between members of the ethnic category, but not outside its boundaries. Ethnic *associations* exist whenever the ethnic category is formally or informally organised and has a recognised leadership. Finally, ethnic *communities* are territorially based and thus offer their members a wide array of resources, ranging from jobs and housing to ontological security.

The existence of the cultural differences which form the basis of ethnic classification cannot necessarily be proved, but they are intersubjectively recognised; which is to say that people generally believe in them and act accordingly. These notions need not be shared by both insiders and outsiders; indeed, members of the group in question often have different ideas about their cultural specifics than outsiders. For instance, people who see themselves as true believers may well be regarded as superstitious by others. More pertinently to the issue of economics, people who see themselves as taking family responsibilities seriously may be seen as nepotists by others. Mutual *stereotypes*, simplistic and often pejorative views of others' characteristics, contribute to maintaining ethnic boundaries.

Ethnicity may be organised horizontally or vertically; the ethnic groups may be ranked or unranked. When they are relatively unranked, inter-

group competition for scarce resources is likely to occur, although the degree of ethnicisation of such competition depends on the degree of ethnic incorporation. When the groups are ranked, an ethnic *stigma* is often attached to subordinate groups, typically by way of a set of stereotypes deeming its culture and practices as inferior. Ethnic or racial stigmata can be fought (as in the Black Consciousness movement), but they can also be internalised and become part of the self-identity of the subordinate group. In the latter case, members of the group are likely to try to escape from the stigmatisation through changing their way of life. In parts of Latin America, for example, individuals classified as *indios* (Indians) may change their language (to Spanish) and their mode of dress in order to be reclassified as *cholos* (mixed people; see Wade 2010).

Ethnic groups do not exist eternally. Whenever they continue to exist as distinguishable social groupings over a long period of time, it is either because of inescapable stigma from the greater society or because they offer something deemed valuable to their members. This could be a sense of belonging and ontological security; it could be something more instrumental, such as material gain and economic opportunity.

Economic activity and ethnic identity

Long before the term 'ethnicity' became common in anthropological (and other academic) writings, anthropologists had been interested in the relationship between cultural differences and economic activities (see Blim chap. 20, *supra*). In many of the societies that anthropologists studied, several distinct groups co-existed and forged inter-group trade relationships or structured forms of economic complementarity whereby certain groups specialised in, or monopolised, particular technologies, crops or ecological subsystems. Thus, in the North-Western province of Pakistan (Swat valley), Barth (1956) showed how the three ethnic groups living in a particular area occupied different 'ecological niches'. The ecological perspective was commonly applied to studies of ethnic complementarity or 'symbiosis' at the time, and Barth argued that the mutual dependence could be likened to the relationship between species in an ecosystem. The dominant group, the relatively centralised Pathans, were cereal farmers whose geographical boundary coincided with the point of altitude beyond which two annual harvests became impossible. Beyond this boundary, the Kohistanis had adapted to a dual economy of less-intensive agriculture and livestock. The third group, the Gujars, were 'symbiotically' related to both Kohistanis and Pathans in their respective areas. They were livestock herders who exchanged goods and services with the dominant populations to varying degrees. A combination of ecological and political factors served to create particular configurations in different parts of the valley.

In more recent research on ethnicity, with which this chapter is mainly concerned, the ecological dimension is rarely made explicit in such a way. Instead, the main concern has consisted – following, *inter alia*, Barth's later work on ethnicity (1969a, 1969b) – in exploring the maintenance of ethnic boundaries and the flow of resources associated with them. Characteristically, in a later analysis of ethnicity in Swat, Barth (1969a) showed how ethnic boundaries could be transgressed: political competition between Baluchs and Pathans could make it advantageous for Pathans to redefine themselves as Baluchs. In other words, there was no direct link here between economic activity and ethnic membership. By way of contrast, Haaland (1969), in a contribution to the same book in which Barth's paper appeared, showed that a change in livelihood could entail a change in ethnic identity. His material from western Sudan showed that Fur people who, due to varying circumstances, switched from agriculture to livestock herding, effectively became Baggara.

The question, then, is not whether there is any relationship at all between ethnic identity and economic activity: it is quite clear that such a relationship can usually be identified. Rather, we must ask what kind of relationship can be envisaged. A few brief illustrations may indicate the range of variation in this regard.

In sub-Arctic northern Scandinavia, the relationship between Sami reindeer herders and sedentary Scandinavian farmers and fishermen has been characterised by economic complementarity and, in recent decades, competition over territorial rights (Paine 1984; Thuen 1995). At the same time, a great number of Sami are, and have been for generations, permanently settled on the coast, where their economic activities are hardly distinguishable from those of the Norwegian majority (Eidheim 1971). In spite of minimal observable cultural and economic differences, the ethnic boundary remains stable in some communities, while in others there has been a gradual shift to Norwegian ethnic identity. Recent ethnic revivalism in coastal northern Norway (Hovland 1996) takes place independently of economic processes and is largely a product of increased recognition from the greater society, changed self-definitions and acquisition of key cultural skills such as the Sami language. In other words, a change in economic activities can, but need not, be accompanied by a change in ethnic identity.

In Sierra Leone in the 1960s, as described by A. Cohen (1981), a small category of Creoles were economically and politically dominant. They distinguished themselves from the two large ethnic groups, Temne and Mende, through a distinct myth of origin (they were, or professed to be, descendants of liberated slaves), through the use of English as an everyday

idiom, and through their English names. However, since 'Creole' was not considered a legitimate ethnic identity after independence, they had to play down their identity in public and find informal ways of reproducing their community. Cohen argued that Freemasonry was their main form of informal organisation. Through the Masonic networks, which largely coincided with the extent of Creoledom, a great deal of material and immaterial resources flowed, and this served to reproduce their elite position during a period when they did not officially exist as a group. Indeed, Cohen argues that ethnic elites *in general* mute their social identity and tend to deny that they are a bounded group, and that this is a main method for retaining privileges. Although this can hardly be stated as a general principle, it does apply to a number of cases. In Mauritius, where most of the ethnic groups are involved in highly visible identity politics (Eriksen 1998), the Sino-Mauritians (Mauritians of Chinese descent), who are numerically weak but economically powerful, are remarkably absent from the important social and political public discourse over culture, language and pluralism. The strategy outlined by Cohen makes good sense in societies where democratic and egalitarian values are strong, but hardly elsewhere. In colonial plantation societies, where the group that was dominant politically was usually also dominant economically (but insignificant numerically), ethnic markers of that elite group would form the official norm of the entire society.

In these colonial plantation societies, moreover, there was often an almost caste-like association between ethnicity and economic activities. To take Mauritius as an example again, during colonial times the plantation workers would be of Indian origin, the workers in the sugar factory would be Creoles (of African origin), the middle managerial level would be 'coloured' (mixed African-European) or Indian (usually upper caste), and the top managerial level would be European. The association between ethnicity and livelihood remains strong even in independent Mauritius, and even today, a Creole who is educated, urban and leads a life locally perceived as middle class might be re-classified as a 'coloured' (light-skinned) person, almost in the same way that a Fur who went nomadic gradually became a Baggara.

Notwithstanding these variations, it is safe to say that ethnic boundaries contain flows of resources. For an individual to plead allegiance to an ethnic identification, he or she must get something in return, although it can be a matter of definition whether or not this 'something' is of an economic nature. Conversely, from a structural perspective it may be said that allocating low-prestige occupations to members of particular ethnic groups benefits the groups that are economically and politically dominant.

Cultural and occupational segregation

One kind of relationship between ethnicity and the economic life mentioned above is that of segregation. Many societies are segregated to varying degrees along ethnic lines. Among the most famous examples from classic ethnicity studies are Chicago early in the twentieth century and the Copperbelt of present-day Zambia in the middle of the twentieth century.

During the last decades of the nineteenth century, Chicago grew from nearly nothing to a major city. It was a trade hub for the immensely rich agricultural Midwest and attracted migrants from many parts of the world, including thousands of emancipated African-Americans from the southern United States, East Europeans, Italians, Irish, Scandinavians and Germans. Under the leadership of Robert Park, a group of sociologists and anthropologists studied 'the urban ecology' of the emergent cosmopolitan city, observing the dynamics between the different immigrant groups almost as they arrived in successive waves. In Park's view, residential and occupational differentiation would follow strict ethnic lines in the first stage, where individuals would be highly dependent on their ethnic network for jobs and other resources, and would live in a segregated manner. Later, following 'acculturation' (the acquisition of local cultural categories, notably good command of English), the ethnic dimension would gradually become less important economically (Park 1952). As Hannerz (1980: 44) puts it: 'The typical "race relations cycle" would lead from isolation through competition, conflict, and accommodation to assimilation'. Deeply committed to ecological metaphors, Park and his students saw both competition and symbiosis in intergroup relationships, but also mobility (or 'transmutation', to stick to the biological metaphors) and, eventually, the disappearance of ethnicity as the main organising principle for the economy.

The major exception to this image of the 'melting pot' was the African-American population. Stereotyped as lazy and unreliable, stigmatised as intellectually inferior, Blacks enjoyed a much weaker mobility than any other ethnic category. In their case, the division of labour was a more stable, apartheid-like arrangement than in the case of, for example, Italians or Irish.

In the later work of a group of anthropologists based at the Rhodes-Livingstone Institute in North Rhodesia (Zambia), the thickest boundary was also that of colour. In a series of studies dealing with urbanisation in the mining towns of the Copperbelt, Mitchell (1956), Epstein (1992) and others investigated the role of ethnic identity in the modern economy. Far from making 'tribal' identities irrelevant, wage labour and integration into the mining industry led to a re-emergence of ethnicity (labelled

're-tribalisation' at the time), whereby job allocation, leisure habits and residential arrangements were regulated by ethnic identity. However, the internal hierarchy among African miners was negligible, upwards mobility was difficult and the boundary with the European management was absolute. While there was hardly any 'osmosis' across the Black–White divide, the experience of urbanisation did lead to a simplification of the ethnic taxonomy among Africans, in the sense that groups from the same region who spoke similar languages were increasingly lumped together as 'Northerners', 'Westerners' and so on.

In both Chicago and the Copperbelt, culture seems to have played a minimal role in creating occupational differences along ethnic lines, quite unlike the Gujar–Pathan relationships, where each group possessed particular, ethnically specific skills. While the Copperbelt situation resembled that of the stable colonial plantation society, the ethnic division of labour in Chicago was less stable and more open to negotiation.

A question that needs to be raised here concerns who does the classifying. The above examples refer to situations where ethnic networks and cultures have varying importance for economic activities and the division of labour, but where do the ethnic distinctions come from? As decades of research on ethnicity have shown, ethnic identities and boundaries are social constructions that change through time and have highly variable relevance (see Eriksen 2010). Ethnic identities are created from two directions: from the inside and from the outside. They are the product of self-definitions and of definitions from the outside, and the relationship between these dimensions is dynamic and variable. Many of the ethnic identities recognised in contemporary states are to a great extent the product of population statistics and state control, but it can be equally relevant to look at the internal reproduction of networks and boundaries. The relevant aspects are: (i) census categories and state classification, (ii) popular or 'demotic' (Baumann 1996) classification, (iii) self-definitions, (iv) social networks.

The fourth element, social networks, is not necessarily recognised by the state, the social environment or even the people who participate in and draw upon them: networks may be ignored by the state, unknown to outsiders and taken for granted by insiders. Yet a look at ethnic networks is indispensable in any account of ethnicity and economy.

Culture and networks in ethnic economies

Research on immigrant minorities in contemporary European societies has occasionally focused on the relationship between culture and economics. A society is culturally segregated if its constituent groups produce and maintain meaningful symbolic universes independently of one another; for

example by speaking different languages, adhering to different religions, raising their children and organising their marriages in systematically different ways and so on. By contrast, it is economically segregated if, as in the aforementioned plantation societies, the division of labour follows ethnic lines. The question is whether a society can be segregated along only one of these dimensions, or if cultural segregation necessarily entails economic segregation. The predominance of immigrant labour in the lower segments of the labour market in every Western European country can be accounted for in several ways: as a result of racism among employers, as a result of active recruitment policies from the state wishing to fill certain vacant slots in the labour market, or as a result of imperfect cultural integration on the part of the minority. In most cases, all three explanations are partly correct, but the third one needs qualifying. It is by no means self-evident what is meant by 'culture', and in both popular and academic discourse about immigrant minorities it is often used to designate aspects of immigrants' lives that have scarcely any bearing on their working life: religion, diet, dress and marriage practices are often mentioned in accounts of immigrants' culture. So far, then, culture seems to be irrelevant.

If language skills are considered, however, culture clearly does play a part in the economy seen from the actor's point of view. If, moreover, culture is taken to mean the wider universe of meaning within which people live, their *Lebenswelt* or life-world, then it can easily be shown to be highly relevant for economic careers. Economically disadvantaged Creoles in Mauritius are likely to propose two explanations for their lack of social mobility: one structural, one interpersonal. First, they might say, the system works in favour of others: being a Creole implies a society-wide stigma. Second, they might add, they have no relevant network: no managing director, government minister or business executive to call upon for reciprocity. If the form of personal networks is included in the concept of culture, then there is a clear link between culture and the economy. In the 1970s, many Pakistani immigrants to Norway were employed by the Oslo Public Transport Council (*Oslo Sporveier*), many of them through personal networks and recommendations. Networks based on kinship or local origin can be enormously important in job allocation anywhere, and wherever there is ethnic complexity, this will be evident in the ethnic makeup of the labour market. This factor has probably been underestimated by many researchers with training in disciplines other than anthropology, as they generally have not been equipped with research methods that readily reveal informal networks.

As noted above, culture associated with ethnic groups can also be important when specialised professional skills are among the resources that flow within ethnic boundaries. Cultural values may also direct eco-

conomic activities and preferences in other ways. In a study of Pakistani immigrants in the English Midlands, Dahya (1974: 113) found that 'the immigrants' scale of preferences . . . differ in a significant manner from that of the native proletariat with regard to consumption patterns, aspirations, prestige symbols etc.'. He saw their poor housing standard partly as the result of an economic preference for saving and sending remittances to Pakistan, and partly as an expression of cultural values which did not accord prestige to housing of the sort that is standard in England. Seeing the difference in housing between British and Pakistani workers as a sole result of ethnic discrimination was therefore misleading.

Ethnicity and class

Although class and ethnicity are clearly two distinct forms of social differentiation, they are rarely independent of each other. In most contemporary societies with more than one ethnic group, class and ethnicity overlap in the sense that the division of labour to a greater or lesser extent follows ethnic lines. In some societies, such as the USA and South Africa (at least under apartheid), ethnicity is highly racialised, meaning that visible differences play a central part in the structuring of class. Even in Britain, Hall has argued that 'race is the modality in which class is "lived"' (1980: 340), thus claiming that racial differences are largely understood as class differences. At the level of popular representations, this is often the case. In an ethnically ranked society, it will be difficult to form alliances between Black and White underprivileged workers, for instance, given the fact that everybody knows that Whites are ranked above Blacks.

However, in reality the relationship is rarely one to one, and race ethnicity tends to cut across class; there is, for example, a considerable Black middle class and a White lumpen proletariat in the USA. As Fenton (1999) observes, there is a strong correlation between class and ethnicity in Malaysia, where Chinese are associated with business and trade, and *bumiputeras* (Malays and smaller indigenous groups) are associated with agricultural and other manual work. However, in reality, 'almost half of all Chinese in Malaysia are production workers and agricultural workers' (Fenton 1999: 115).

Ethnic segregation none the less inhibits social mobility among less-advantaged groups. The often mono-ethnic interpersonal networks used in economic careers, the varying importance placed on education within the group, the cultural policies of the state (favouring, for example, certain languages over others) and widespread stigma may all contribute to the creation of relatively fixed 'ethnoclasses' in highly differentiated class societies. Institutionalised racism in the past may also play an important part, as in the USA.

It was noted above that social mobility can, in certain contexts, lead to ethnic reclassification: a successful Creole could become a Coloured. It is also worth noting that several immigrant groups to parts of the New World, such as Portuguese in Trinidad and Irish in the USA, were recognised as 'proper Whites' only after a process of upwards mobility. In general, ethnic markers such as skin colour, religion and language tend to lose much of their relevance in situations of social mobility. Put differently, as the German writer Hans Magnus Enzensberger (1993) observed, nobody ever complained about the skin colour of the Sultan of Brunei.

Typically, cultural differences are invoked (often resulting in stigmatisation) in justifications of class segregation. In the USA, Lewis's (1966) phrase 'the culture of poverty' has certainly been used to this effect, though not with the consent of its originator. The 'culture of poverty' thesis held that people in modern, urban settings with no or unstable employment reproduced a particular set of cultural values and a form of social organisation that militated against their upwards mobility: lack of long-term strategies, a weak (matrifocal) family structure, an ethos of consumption rather than one of production and so on. Although careful studies of economic strategies among African-Americans long ago proved this assumption to be wrong (see, for example, Liebow 1967), such ideas are often exceptionally fertile in the popular imagination. In the more recent context of Third-World immigration to Europe, Wikan (2002) among others has suggested that aspects of immigrant culture, such as patriarchal values and collectivist ideologies, prevent successful 'integration' and social mobility in the host society.

So far in this chapter, we have considered some of the basics of ethnicity and economy: stigma and stereotyping, group competition, structural and interpersonal factors in establishing an ethnic division of labour, ethnicity and class, the boundedness of networks and the variable importance of the cultural resources embedded in the ethnic group. We now turn to a couple of more detailed empirical examples in order to shed light on the insights developed above.

The post-plural society

Originally a concept proposed by Furnivall (1948), 'plural society' was refined and developed further by Smith (1965) in a series of studies largely dealing with the English-speaking Caribbean. The plural society was conceived of as one composed of two or more groups with distinctive cultures, usually speaking different languages and practising different religions. Inter-marriage and informal interaction between groups were assumed to be of negligible importance. These diverse groups were held together politically by the coercive force of a (usually colonial) state, and would meet in the marketplace but remain apart and segregated in most other

social fields. The concept of pluralism has been much criticised (Eriksen 1992; Young 1976), largely on empirical grounds: it exaggerated the fixity of boundaries between groups, often giving undue emphasis to differences and ignoring processes of inter-group communication and the gradual disappearance of boundaries in many cases.

The concept of pluralism can nevertheless be defended (for example, Grillo 1998) as a means of classifying certain societies: the Ottoman Empire and the South African apartheid state are obvious examples, where there is little inter-group communication and few if any shared institutions that integrate constituent groups. The Indian Ocean island-state of Mauritius has already been mentioned a few times; from the eighteenth century to the end of the Second World War it could credibly be described as a plural society with an ethnic division of labour, few shared institutions and little democratic participation in politics. Since 1945, and particularly since the 1970s, Mauritius has undergone rapid economic and political change, and it is better described today as a post-plural society than a plural one. Here, the contemporary Mauritian economy will be considered in relation to ethnicity, first from a systemic perspective and then from the perspective of individual actors.

The colonial Mauritian plantation economy was organised strictly along ethnic lines. Although it contained its anomalies – such as a few wealthy Indo-Muslim families and urban Tamil merchants, as well as a handful of *petits-blancs* (poor Whites) – one could make a good guess about a person's rank and economic circumstances on the basis of ethnic (and sometimes caste) identity. The legacy of the ethnically segregated plantation economy lingers in contemporary Mauritius, although it has been strongly modified. For example, the public sector of contemporary Mauritius is dominated by Hindus (the largest and politically dominant group), the Sino-Mauritian elite has moved from small trade to transnational investments and factory management, and in the growing sectors of tourism and manufacturing the recruitment of workers does not exclusively follow ethnic lines. On the factory floor, Creole girls meet both Hindu and Tamil girls as colleagues. (The ethnic categories, which may seem confusing, are locally recognised distinctions; see Eriksen 1988.)

The economic growth and diversification of Mauritian society since independence in 1968 has been remarkable, and is often commented upon as a 'miracle'. In this context, the most striking fact is perhaps the general lack of mobility among the Creoles, who make up 25–30 per cent of the population. Since the early 1990s, Mauritians have debated *le malaise créole* as a major social issue, and it is clear that Creoles are strongly under-represented in the Mauritian elite, not least in the economy (Boswell 2006).

There are several causes for the collective failure of the Creoles to benefit from Mauritius' recent economic growth: internal, external, cultural and structural. First, Creole kinship and local organisation tend to place comparatively weak moral obligations on individuals; unlike among Hindus, marriage is entirely an individual, voluntary contract, and Creoles are not expected to help relatives or other Creoles with employment or places in institutions of higher education. Their social resources are, in a word, very limited in a situation of group competition.

Second, the Creole ethos and collective stereotype of self depicts them as individualists, in contrast to the Hindus, who have a strong ethic of kin solidarity. While it is common among non-Creole Mauritians to see Creole values as African 'survivals', it is more correct to trace them and the accompanying social organisation back to the social conditions of slavery. In the context of the present argument, it is none the less sufficient to note that there are systematic differences between Creoles and Hindus regarding values and local organisation.

Third, the systematic use of kinship and ethnic networks by the other Mauritian 'communities' for economic and political ends has placed the Creoles at a relative disadvantage. The civil service and the police are, partly due to the logic of kinship obligations, dominated by Hindus, and among working-class Creoles there is a widespread feeling that their best opportunity for social mobility lies in migration. They are a minority and lack the cultural resources necessary to profit from an employment culture of kinship obligations. Furthermore, the state is not just the largest employer in Mauritius, but it also consists of a number of institutions that Mauritians have to relate to in order to get on with their lives, such as the state bank, the national educational board, the tax office, the postal services and the police. When any of these common institutions loses its legitimacy for a certain segment of the population, a likely outcome is social unrest, which the otherwise stable Mauritian society has experienced on a few occasions.

Seen from the perspective of the individual, the place of ethnicity in a person's economic opportunity structure is variable but rarely non-existent. To begin with, many people are still part of the original plantation economy, and there has been no de-ethnification of agricultural work. Many sons simply enter their father's profession. In the newer sectors of the economy, personal connections and networks remain crucial in obtaining work. During fieldwork I have rarely come across a Mauritian working in industry or the hotel sector who has not obtained his or her job through an acquaintance. Informal networks tend to follow ethnic lines.

So far, the description may seem to indicate that Mauritius remains a plural society with both ranked and unranked dimensions. However, there

are serious cracks in this edifice. First, as noted, the emergent industrial and tourism sectors are not organised on the basis of ethnicity, even if ethnic networks at present remain important for job allocation. Second, the urban professional class has grown rapidly – this is the world of solicitors, software programmers, schoolteachers, university lecturers and accountants – and their professional world is only diffusely connected to ethnicity. In the opportunity structure envisaged by, say, a foreign-educated lawyer, ethnic boundaries seem a hindrance rather than an asset, and he or she would be likely to find employment and clients independently of ethnic networks. As emphasised above, it is only when ethnic membership has something to offer that it matters to the individual. Increasingly, important sectors of the Mauritian economy could become post-plural in the sense that ethnicity ceases to matter in economic careers, even if it may remain important in other social fields. In sum, the professional skills and networks that create the economic opportunity structure for these groups are increasingly divorced from ethnic cultures or communities.

Indigenous struggles

A different kind of economic competition can be observed in relationships between indigenous people and politically dominant groups. Often focused on rights to land and water, indigenous struggles have, following a global trend in politics, increasingly added cultural survival and group identity to the agenda.

There are about 70,000 Sami in Northern Scandinavia (including the Kola peninsula), and about 40,000 of them live in Norway. The traditional Sami–Norwegian relationship of complementarity and relative economic autonomy has been greatly altered by processes of modernisation throughout the twentieth century. Traditional Sami skills such as reindeer husbandry and handicrafts have become integrated into the capitalist economy. Sami in Norway enjoy certain constitutional rights aimed at enabling them to survive as a culturally distinctive group; notably, a Sami Parliament (with limited power) was inaugurated in 1989, Sami is an official language in several municipal areas in Finnmark county and, more relevant to the present context, only Sami are allowed to engage in reindeer husbandry on the vast tundra of the Finnmark interior (*Finnmarksvidda*).

Only a small percentage of the Sami are actually involved in the reindeer economy. However, reindeer-based semi-nomadism is symbolically of very great importance to the way that the Sami see themselves. For example, any product made from reindeer fur is associated with the Sami. The most widely publicised political controversy involving the Sami after the Second World War was the conflict between the Norwegian state wishing to build a hydroelectric dam on the Alta river and Sami reindeer

herders claiming that the dam would destroy their annual migration route to the sea. Reaching a climax with mass demonstrations and hunger strikes in front of the Parliament in Oslo in 1979–81, the conflict eventually ended with victory for the Norwegian state, but the long-term result was an increased sensitivity to Sami affairs and a greater attention to the peculiar predicaments facing this ethnic minority.

The current situation of the Norwegian Sami can be described like this: there are ongoing local struggles with ethnic Norwegians over land and water rights, where the latter tend to feel that they are just as ‘indigenous’ as the Sami when it comes to salmon and cloudberry rights. There are, moreover, rifts within the Sami community concerning who is a Sami and what being a Sami entails. Language is a key issue in both discourses; outside the heartland of central Finnmark, relatively few Sami are fluent in their ancestral language, although many are learning it.

Since reindeer herding is today a capitalist kind of activity with considerable local economic importance, the situation can hardly be framed as a conflict between two modes of production, unlike what might be the case with other livestock pastoralists, such as the East African Maasai. It could be said, perhaps, that an elite among the Sami has monopolised the skills needed for reindeer herding, but that is not the point here. What is important to note is that reindeer herding remains significant as a symbolic marker of Saminess, even if it has to some extent become part of the mainstream economy and hence subject to the functioning of the market and so on, and even if only a small minority of Sami actually engage in this economic activity. Most Sami have ‘ordinary jobs’ as fishermen, shopkeepers, public service employees and the like. In this, contemporary Sami reindeer herding is more important as a marker of ethnic identity than as an ethnically-specific kind of economic activity. As Harrison (1999; see also A.P. Cohen 1985) has argued in a different context, ethnic identity as such – pride in oneself, the sense of ownership of certain traditions, crafts, skills, worldviews – can be a non-negotiable asset, an inalienable possession.

Transnational entrepreneurship

Ethnic entrepreneurship has been extensively studied in many parts of the world. Typically, attention has been focused on small, successful groups such as the Chinese in South-East Asia, Lebanese business communities in West Africa and the Caribbean, or Indians in East Africa. Such elites, although economically powerful, often find themselves in a precarious political situation. Being rich, but few, they are frequent targets for popular frustrations (Chua 2004). A famous study from Ibadan (A. Cohen 1969) shows how Hausa from northern Nigeria effectively monopolised

the trade in cattle in that Yoruba city, using kinship networks and membership in Muslim brotherhoods to keep the trade organisation efficient and closed to outsiders. Like other successful ethnic networks, they were able to use their ethnic and religious identity as social capital.

However, entrepreneurship, seen as the creation and exploitation of new economic niches, does not just pertain to elites, but can also be studied with respect to almost any migrant group that is denied equal participation in a national economy. For example, Indians in Fiji, who arrived as indentured workers in the latter half of the nineteenth century, were denied the right to own land and were thus forced into a very different kind of economic life from their counterparts in Trinidad and Mauritius. They became urbanised, and many went into various forms of trade.

In the contemporary context, entrepreneurship among immigrants to Western Europe warrants particular attention. This is often simply a matter of using ethnic networks and, perhaps, cultural skills to make a living in an alien country. Tamils in Western Europe, for example, draw on caste and village networks to find jobs, and like many migrants they have a transnational economy where remittances to Sri Lanka are a main concern (Fuglerud 1999). This implies that even in societies where ethnicity is not a formal criterion for economic differentiation, the population may be occupationally differentiated along ethnic lines.

National immigration laws, as well as international agreements such as the Schengen treaty (facilitating the movement of people within the European Union while limiting the influx of people from outside), encourage new strategies of entrepreneurship for migrant groups. The informal economy, where illegal immigrants form the backbone of the labour force, is probably very considerable in many rich countries (for some estimates, see Harris 2002; see also Chen chap. 28, *infra*).

A study of Senegalese Wolof in Emilia Romagna, northern Italy, by Riccio (1999) demonstrates several important features of transnational entrepreneurship. Wolof are traditionally associated with trade in West Africa, and they have successfully adapted their skills to function transnationally, spanning Senegalese and European markets in their business flows. Riccio argues that, in a manner similar to the Hausa of Ibadan, Wolof in Italy are morally and socially bound by their allegiance to Muslim brotherhoods in Senegal (the Mouride), but he also points out that without a strong organisation of Wolof wholesalers based in Italy offering not only goods but also training of itinerant salesmen, the individual Wolof peddler would likely fail.

The Wolof trade system studied by Riccio functions in both directions. Traders live in Italy part of the year and in Senegal part of the year, and the goods offered for sale in the Senegalese markets range from hi-fi

equipment and other electronic goods to the trader's own second-hand clothes. Although Riccio takes pains to describe the variations in the circumstances of migration, a clear pattern emerges from his material, which shows that Wolof migrants to Italy are positioned in Italian society in a unique way, due to particular features of their culture and local organisation in Senegal. Somewhat like Gujarati traders in London (Tambs-Lyche 1980), they draw on pre-existing social and cultural resources in developing their economic niche under new circumstances.

Transnational micro-economies have become widespread during the last decades, so common that a study of a town in the Dominican Republic is not complete until one has explored the lives of townspeople living temporarily or permanently in New York City (Krohn-Hansen 2003), and migration must increasingly be envisaged as a transnational venture rather than as a one-way process resulting in segregation, assimilation or integration in the receiving society. The economics of transnationalism can be observed in Congolese *sapeurs* (Friedman 1990) flaunting their wealth in Brazzaville following a frugal period of hard work in Paris, in the informal banking system whereby Somali refugees send remittances to relatives, in the flow of goods into and out of immigrant-owned shops in any European city, and most certainly in thousands of local communities, from Kerala to Jamaica, which benefit from the efforts of locals working overseas. Seen from a global perspective, this kind of transnational economics can easily be seen as a vertical ethnic division of labour whereby the exploitative systems of colonialism are continued. However, seen from the perspective of the local community it may equally well be seen as a much-needed source of wealth, and seen from the perspective of the individual it entails a new set of risks and opportunities.

Conclusion

Ethnic distinctions are, at the conceptual level, categorical contrasts that help people to simplify the social world by dividing its members into bounded, mutually exclusive groups. They thereby offer shorthand descriptions of other people's 'character' and 'cultural traits'. This very conspicuous and politicised aspect of ethnicity has been granted enormous attention by scholars and others, many motivated by social reform and a concern for human rights, and it has often been shown that the map does not fit the territory. The imputed cultural differences are at best stereotyped, at worst fictitious; the boundaries are fuzzy and the world is full of cultural hybrids and ethnic anomalies. However, this chapter has shown that, notwithstanding the obvious merits of such critiques, ethnicity remains a powerful organising principle in social life: in addition to ordering the world at a cognitive level, ethnic boundaries contain networks and

moral communities based on trust and obligation, cultural resources and 'social insurance' systems. At the level of the individual, membership in an ethnic group offers a certain opportunity structure; at the level of the greater society, there are more often than not clear correlations between occupation, mobility and social rank on the one hand, and on the other ethnic distinctions.

One of the most complex, and controversial, aspects of ethnicity concerns its relationship to culture. I have noted time and again in this chapter that it is necessary to take the cultural dimension of ethnic identity seriously. Of course its significance varies, but there are often systematic differences between the groups that make up a society concerning language, forms of socialisation, network structure and corporations, worldviews and, not least, microeconomic history. If cultural resources are granted importance in studies of ethnic entrepreneurship and social mobility, then arguments about 'cultures of poverty', frequently dismissed as victim-blaming, also need to be taken seriously: if cultural resources can help an ethnic group economically, then it goes without saying that cultural resources can equally well limit the performance of its members in a given context. Whether they do or not is a matter of empirical enquiry, and one of the enduring insights from studies of ethnic complexity is that the practical implications of a particular cultural universe vary from context to context. People from the same castes and from the same parts of India who migrated at the same time under the same circumstances, eventually became small planters in Trinidad, politicians in Mauritius and entrepreneurs in Fiji.

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PART V

ISSUES

Certain topics within economic anthropology are issues. They can be so because they are the focus of dispute or uncertainty, or because they attract a wave of interest. This part is devoted to some of these topics, though because of their diverse foci they resist ready summary. The first chapter is a consideration of ethics, and especially the ethics associated with different sorts of economic activity. Then come two chapters that touch on the issue of peasants in different ways. One is concerned with peasant households and their relationship with markets, focusing on the Andean region; the other is a synthesis of subdisciplinary attempts to understand the peasantry. Then comes a chapter that looks at the way that value is defined in the process of formulating government policy. The final two chapters in this part look at different aspects of development, one tracing the problematic relationship between anthropology and development projects, the other looking at the informal economy and what it can reveal about economic activity and the relationships it entails.

23 Economic anthropology and ethics

Peter Luetchford

As normally understood, ethics is a branch of philosophy; it is 'philosophical thinking about morality, moral problems, and moral judgements' (Frankena 1973: 4). In this guise, ethical concerns pursue the Enlightenment goal of establishing a rational, and hence universal, morality that is founded upon an agreed human nature. The problem, and one that has been exposed from within philosophy itself, is that no general criteria for justice have yet been established. Instead of rationality we have philosophical traditions, each claiming precedence over others, but with little consensus about what the basis for moral judgements should be (MacIntyre 1988; Wilson 1997).

The dominant approach in economics likewise constructs a universal model of human nature, which threatens to unravel under scrutiny. An anthropological perspective on the ethic underpinning the market, or the form of market activity that emerged in Europe some three hundred years ago, reveals that the Western capitalist model is just one of the ways economic life might be arranged and a particular distribution justified. In this way a model of the economy that is supposedly universal and natural is denaturalised and becomes historical (Roseberry 1997: 252). But the Western idea of the market is important as it is a common point of departure for anthropologists in their studies of specific economies, and moral precepts and ideas are often drawn in contrast to that economic model. It seems that even anthropologists, in their studies of non-Western and non-capitalist societies, find it difficult to escape the use of economic definitions appropriate to capitalism.

The main aim of my analysis is to indicate anthropological work that has grappled with morally inspired conceptions of the world or made critical commentary upon the problem of social provisioning, encompassing production, exchange and consumption. One part of this project involves demonstrating that key conceptual categories in economic anthropology, such as the market, capitalism, gifts, commodities and money, take form and have meaning only within particular cultural contexts. However, a danger in this project is that it leads to a position of extreme relativism, in which anything goes, all opinions and values have equal weight, and ethics comes to have no meaning.

If a universal model of the economy and of ethics is untenable, then

we need to turn to the role played by morality and notions of justice in social life. This requires us to recognise that ethical ideas involve dispute, politics and power relations. While prevailing ideas are often a reflection of the interests of the powerful, who use ethics to justify particular social and economic arrangements (Harvey 1993: 49–50), there are ideas and practices of daily life that both critique the model of the free market and seek to replace it with alternatives based on personalised, bounded and regulated exchanges (De Neve et al. 2008). The conundrum is that while initiatives such as fair trade seek to inject social qualities and human relations into the economy, the possibilities that this raises for profit making means that those qualities are easily appropriated by firms in capitalist markets. A role for anthropology is then to investigate the foundations of ethical ideas, and to show how these ideas are co-opted and used in business.

The market, libertarian ethics and the liberal response

To understand the links between ethics and economic anthropology we need first to comprehend Western ideas on the economy. In this respect a story comes down to us of an invisible hand guiding outcomes and influencing our economic fortunes. The metaphor of the invisible hand, central to the Western model of the market, leads us to understand economic processes as dependent upon individual choices, yet beyond human will or control. This combination suggests a higher order, a natural truth, and gives the model appeal. After all, we make choices but the outcomes of our decisions are unpredictable, and so the market ‘decides’. For this reason it may be that certain readers will consider an attempt to establish a connection between economics and ethics a strange undertaking. The economy, it is thought, is impersonal and so precludes notions of moral responsibility; to function properly the only economic imperative is self-interest. In looking after ourselves and disregarding the needs of others we promote general economic growth and, paradoxically, everyone benefits.¹

The ethic informing this view is clear in the sources most often cited in anthropological studies of the origins of the Western model of the economy: Adam Smith’s *The wealth of nations*, published in 1776, and Bernard Mandeville’s *Fable of the bees*, published in 1714 (for example, Carrier and Miller 1999: 30–31; Dilley 1992b: 6). The puzzle these writers addressed concerned the kind of economic arrangements that would allow humanity to flourish. However, the answer they provided departs radically from earlier solutions such as feudalism, which entailed a despotic economy and a natural hierarchy of human worth. Rather than looking to a fixed set of social relations, these people pointed to individual freedom and human nature. Famously, for Smith, people have a natural propensity

to 'truck, barter and exchange', and the self-interest that inspires this proclivity drives the economy and promotes general well-being.

These ideas have provided the basis for dominant economic paradigms in the world today, and have thoroughly infused Western society since their inception, but perhaps particularly so since the 1980s. In neoclassical economics, for example, ethics in the economy dictate that we should allow individuals to follow their self-serving nature, which, in turn, will benefit all.² In philosophy this is the libertarian position, often now associated with Robert Nozick (1974). Libertarianism promotes the standard of individual rights, chiefly the freedom to exercise one's capabilities, and the entitlement to the minimum protection of the state to secure that right. For economic policy makers this means the promotion of the ideals of complete market deregulation, consumer sovereignty, the decrying of taxation and the maximisation of choice (Harvey 1993: 62). The ethic is one of personal achievement and merit,³ and it has come to be synonymous with the profit motive.

For many anthropologists, economics and the philosophy that surrounds it erroneously present market capitalism as natural, and obscure constraint and exploitation. Instead, it is argued, the economy must be understood within specific social and cultural locations; that is, in Polanyi's (1957) terms, economics is 'embedded' in society (see Isaac chap. 1, *supra*). On this view, ethics does not derive from formal rationality or human nature, but entails a social and cultural relation between people.⁴ Succinctly put, economics is cultural and social, and so is morality.

The Western market economy is not exempt from this assertion. A number of arguments can be made against the formal understanding of the capitalist market and its operation. Perhaps the most persuasive is that the model bears little relation to actually existing markets; a great many studies demonstrate that people in different places and at different times respond to, evaluate and construct markets in a multitude of ways, according to social and cultural context (see Dilley 1992a). Persuasive evidence can also be mustered to demonstrate that the neoclassical model of Western capitalist markets is itself logically inconsistent and a false description of economic operations and motives (Preston 1992).

An alternative perspective is articulated in moral philosophy by those concerned with the deleterious effect that our activities can have on others. A prime example of this is provided by John Rawls in his *Theory of justice* (1971). His worry was that the promotion of maximisation countenanced the sacrifice of the weak. Where the aim is to protect choice and ensure efficiency, contingent factors (such as inherited wealth, natural talents and good fortune) determine life chances, and such contingency is no basis for a just society. For Rawls (1971: 102), 'the basic structure of societies

incorporates the arbitrariness found in nature. But there is no necessity for men to resign themselves to these contingencies. The social system is not an unchangeable order beyond human control but a pattern of human action'. Ethics in this branch of liberal philosophy then becomes a search for maxims that all rational people will agree to, and which establish palliative measures to counteract contingency.

Although many anthropologists would probably stop short of attempting to establish universal ethical criteria, their sympathies tend to lie much closer to this second strand of ethics. As Kahn (1997) has pointed out, the origins of anthropology lie in the Romantic tradition, which took issue with the idea of a universal rationality and a 'mechanistic science of man', and sought instead to accept and explore human cultural difference. This relativistic vision then becomes the basis for criticism of the modern world; according to this view, market rationality and its demon companion, capitalism, dehumanise the economy.

Money, commodities and social corrosion

In departing from the dominant model, anthropologists have often presented the market and capitalism as having a negative and corrosive effect on the societies in which they work. Moral appraisal in these writings is generally built around key oppositions. The first of these is the distinction between the value of an object measured by its usefulness on the one hand, and on the other its exchange value, measured in money. A second pits the socialised gift, as representative of the 'give and take' of social relations, against the impersonal commodity, which provides an avenue for buying and selling for profit, and so allows autonomous individuals to maximise self-interest and, hence, undermines moral and social relationships and communities.

Perhaps the best-known ethnographic work in this vein is Michael Taussig's (1980) study of commodity fetishism in Latin America. His account is based on Colombian plantation workers who believe that individuals enter into pacts with the devil to increase their productivity and wages, and on Bolivian tin miners who make offerings to the devil figure said to inhabit the mine in which they work, in exchange for knowledge concerning the whereabouts of deposits of ore. However, these Faustian agreements are dangerous and unproductive. The devil *Tio*, who inhabits the mine, is bloodthirsty and needs appeasing, and the pacts made by the plantation workers are ultimately barren. For Taussig these beliefs are evidence that the indigenous miners of Bolivia, and Black, Christian peasantries working on plantations, both associate capitalist relations with the devil. They are local moral metaphors for the destructive power of capitalism and its propensity to desocialise economic relations.

Central to Taussig's argument is the difference between two transactional orders, one based on use value, the other on exchange value. Whereas the former is limited by what can be used and establishes ethical relationships among people and between people and things, commodities are said, during the act of exchange, to become depersonalised. The vehicle for the exchange of impersonal commodities is money, which provides a standard for disparate qualities to be compared, a point made by Marx (2000 [1846]: 202), who argued that money was 'the representative of the value of all things, people and social relations'. Money, by providing a universal measure for the comparison of values, is deemed corrosive to social and moral relations, as the distinctive quality of objects and people is lost in the commodity form. In purchasing an object we see only the finished good, and not the raw materials, the manufacturing process or the work that went into its production. Further, when they sell their labour for a wage, the worth of workers is reduced to a monetary value that can be compared to that of other workers, or even to objects, through the price they command, so that the unique quality of human beings is obscured by the quantitative measurement of money and the calculation of profit.

Nevertheless, the idea that money acts as an acid that corrodes social relationships is itself a Western notion. Numerous examples document money and the market stimulating social life, including kinship relations. A graphic case is presented by Geschiere (1992), who recounts his shock at observing participants at a funeral rite engaging in bargaining over hard currency for the right to buy back a symbolic representation of the body of the deceased. In a similar vein, Bloch (1989) tells of his embarrassment at being offered money on departure from the field, even though he had previously happily accepted hospitality from the same host. It seems that the idea that money should remain an impersonal medium of exchange and pollutes moral relations between people is not universally shared (Bloch and Parry 1989; Hart chap. 10, *supra*).

If commodities are charged with obscuring the social and moral relations between people, then the opposite might be said for reciprocal bonds founded upon the giving of gifts. Such apparently altruistic acts as providing hospitality and sharing food and space are seen as the very stuff of human economic relationships and provide a moral context to our behaviour. Implicit in this account is the idea, articulated by Mauss in *The gift* (1954 [1925]; see Yan chap. 16, *supra*), that giving has a social effect: it sets up a requirement for a return and so establishes and reinforces a relationship. The truth of this dictum on the social nature of the gift has been much discussed in anthropology; Parry (1989), for example, cites the case of ritual giving of *dana* in India, in which the gift embodies pollution

or 'poison', should under no circumstances be returned, and so comes to express social and moral distance.

Much anthropological ink has been spilt in demonstrating that there is no universally accepted form of the market and money, and that they are instead 'culturally constructed' (Bloch and Parry 1989; Dilley 1992a). This being so, we might ask on what grounds we can take up an ethical position at all? There are a number of possible answers to this question. One of the most persuasive starts with the close contact anthropologists develop with their informants, which allows them to see the negative effects market fundamentalism can have on local lives (Barth 1997). If the formal economic view of rational actors ignores the relations of power behind the economy (Friedland and Robertson 1995), and if the emphasis on choice denies and obscures economic uncertainty (Carrier 1997; Gudeman 1992), then it should be incumbent on anthropologists to support local actors in their struggles for livelihood. To this end it is worth exploring the evaluations of economic processes coming from those marginalised in the economic system. This project is central to the literature on 'moral economies', most commonly associated with E.P. Thompson, who sought to rescue those made redundant by technological progress in the Industrial Revolution, the victims of economic progress, from 'the enormous condescension of posterity' (1980 [1963]: 14), and engage in a 'history from below' (Wells 1994: 263).

Moral economies and peasantries

A well-known work that relies on the notion of mutual relations between people, set against the destructive force of modernisation and change, is Scott's *The moral economy of the peasant* (1976). In his study of Southeast Asia peasant society, Scott identifies a 'subsistence ethic', which provides the explanatory basis for economic behaviour in the face of upheaval, uncertainty and famine.

The precarious position in which peasants find themselves leads to an aversion to risk, which points to an economic logic at odds with the impulse to maximise. In place of individual self-interest, Scott is concerned to show how 'the right to subsistence is an active moral principle in the little tradition of the village' (1976: 176). In his view the situation of scarcity leads to mechanisms of solidarity between those living 'on the edge'. According to Scott (1976: 10), two key themes emerge. First, 'claims on peasant incomes by landlords, moneylenders, or the state were never legitimate when they infringed on what was judged to be the minimal culturally defined subsistence level'. Second, the right to subsistence is socially and culturally given: 'the product of the land should be distributed in such a way that all were guaranteed a subsistence niche'. This claim fits with my own findings and

fits the prescribed ethic in Costa Rica (Luetchford 2008a); a Christian morality among *campesinos* (peasant farmers) demands that all have a right to the fruits of nature, God's gift to humanity, and such access guarantees the minimal requirements for subsistence. For example, food and housing were provided for needy residents, work was offered to the poorer members of the community 'because they needed the income', and land was made available to the landless to plant subsistence crops.

In the case presented by Scott, where peasants are 'up to their neck in water' and whom 'every ripple threatens to drag under', and in my own ethnography, where people's position is not so precarious, there appears to be an ethic of mutuality at work. This suggests that material deprivation alone cannot provide a satisfactory explanation for the 'subsistence ethic'. Rather, we need to consider morally informed notions of the proper purpose of economic activity, political ideas about how the economy works and how different contributions are assessed and rewards divided. In *Money and the morality of exchange*, Bloch and Parry (1989: 2) note that, despite considerable cultural differences in moral assessments of exchange, their case studies revealed a distinction made across cultures between 'a cycle of short-term exchange which is the legitimate domain of individual – often acquisitive – activity, and a cycle of long-term exchanges concerned with the reproduction of the social and cosmic order'.

At issue here is what Evers has dubbed the 'trader's dilemma'. In *The moral economy of trade*, Evers (1994) asserts that trade and acquisitive profit-making in the short term poses a challenge to the long-term organic peasant community, founded on mutual help and solidarity. The demand for profit sits uneasily with the ethic of the community, in which the value of goods is determined by the use to which they can be put rather than the value that can be realised in the market. A trader who buys at the subsistence rate through the activation of reciprocal ties, and then makes a fat profit, is thus seen as betraying the community by moving from values determined by use to those based on exchange. Therefore, 'any trader who wishes to trade with a view to accumulation – the key to the rise of the modern capitalistic world – faced an acute dilemma in regard to the misfit of his ethic of action (personal accumulation) and the ethic of his peasant society (community-distributive solidarity)' (Preston 1994: 48).

Although Evers suggests a number of remedies to this dilemma, I want to focus here on the solution suggested by small farmers in Costa Rica, who claim that the route to justice in exchange is to cut out intermediaries altogether. There are a number of ways in which this might be achieved, depending on the kind of good to be acquired. For the *campesinos*, the most morally-satisfying solution to the problem of the acquisition of goods is to take them directly from the environment, with the producer

being also the consumer. A tradition of production for consumption is maintained to varying degrees; many farmers grow as much of their food requirements as conditions allow, while others depend almost completely on retail purchases. In any case, the origins and reproduction of the community are founded upon the necessity for self-sufficiency, which makes the growing of food for consumption powerfully evocative of the historical experience of self-provisioning.⁵ It is also a practice that is actively encouraged at an institutional level by local non-governmental organisations as a way of avoiding the market mechanism and reducing both costs and uncertainty.

The solution offered by production for consumption comes close to the ancient Greek formulation, articulated by Aristotle. His concern was with the moral goal of economic activity, which was to achieve autarky for the house (Booth 1993; Gudeman and Rivera 1990; Parry 1989). The purpose of the self-sufficient household was to allow the master to escape the dull compulsion of material production so that he might engage in civic duties and enjoy the good life, even if this freedom was maintained through the institution of slavery. The Greek household, despite the hierarchical form it took, proffers an alternative moral architecture for the economy, one that is contained in and defined by clearly demarcated ends, and so contrasts markedly with the fascination with unlimited growth that we associate with the entrepreneurial spirit of capitalism. For Aristotle, the acquisition of goods was divided into natural and unnatural modes; in *The politics* he proposed a threefold scheme with a descending order of propriety. Most satisfactory, and deemed as synonymous with the natural, is direct acquisition from the environment. Following this, and also classified as natural, is the exchange of goods for goods, or money, but only to adjust scarcities in nature; the aim is redistribution in order to meet necessities. Lastly, and regarded as unnatural and therefore morally iniquitous, is trade for profit and the pursuit of monetary gain beyond the satisfaction of need.

The idea of a contained economy, with clearly limited and social ends, emerges in the moral condemnation of trade espoused especially strongly in the medieval period in the doctrine of the 'just price' (Dilley 1992b; Gudeman and Rivera 1990; Parry 1989). In part this seems to be inspired by a Christian ethic of self-denial as a route to salvation (Dilley 1992b: 4), and the setting of proper limits to accumulation and indulgence, the dangers of avarice and the virtue of thrift (Gudeman and Rivera 1990).

These concerns emerge clearly in the work of Gudeman and Rivera (1990), who present us with an alternative economic ethic based upon the self-limiting end of household reproduction, or the desire to 'maintain the base' (see Gudeman chap. 6, *supra*). This gives a very different perspective

on the market from that predicated upon the natural impulse to exchange for profit. The model of a contained economy, documented by Gudeman and Rivera in rural Colombia, extends throughout the Central American isthmus. The model begins with nature: for rural Colombians, and for that matter, Costa Ricans, the earth contains 'strength', which was placed there by God as part of the divine plan. The purpose of human activity is then to work the land and so produce, by tapping into the force of nature. In this scheme moral precedence is given to those who work the soil; indeed, the logical conclusion is that only those who labour in and on nature are really working.

At this point it seems that, from the viewpoint of rural producers, the argument can develop in two ways. A more extreme position would claim that intermediaries and merchants do not work in the true sense of the word, and so have no ethical entitlement to the goods they appropriate or the profits generated. By contrast, people who work the soil are entitled either to consume or sell all they produce. Running in parallel with such a position is a model of the economy as self-limiting; the only moral purpose of the market would be allow participants to minister to the needs of the house and its reproduction by 'allowing them to purchase what they cannot produce and store what they cannot hold' (Gudeman and Rivera 1990: 143).

An alternative, and perhaps less extreme, standpoint would allow the existence of merchants but contest the division of the spoils of economic activity on the market. Those who work the earth actually produce, intermediaries do not, at least not in the same way, yet a repeated complaint is that the ability of merchants to appropriate wealth far exceeds their economic contribution and is therefore unjust. As one commentator on Costa Rica expressed it: 'the public knows full well that up until now it has been the farmers, or rather their work, that has provided the ladder for the exporters to reach the pinnacle of wealth' (cited in Acuña Ortega 1987: 142, my translation). The first position sets up an ideal moral standard of household autonomy against which actual markets and market activities can be judged. The second suggests a practical politics of engagement in which the aim is to point to injustices in the market and struggle against them.

A key area of contention here is the notion of value. In much of the literature there is a stubborn insistence that money is a transparent indicator of worth, which permits the idea of a 'just price' and 'fair trade' (Alexander 1992: 91). My research with coffee producers and cooperatives in Costa Rica suggests that those growing and processing the crop for fair-trade outlets deny this ethical component by referring to preferential trade deals as an 'alternative market'. The possibility of a conjunction between

ethics and trade is denied, but not because self-interest drives the economy as in the Western model. Rather, it is denied because ethics lies elsewhere, in relation to production from nature, and is associated with the social reproduction of the household.

The ethical position of peasantries with regard to trade, the resolution to a moral dilemma they find in production for consumption, in the centrality of the household as an economic unit, in the value of nature and in the imperative to live within one's means are all themes with which we might empathise. Such ideas resonate in our own intellectual and moral heritage, which suggests that we might sympathise with those whose livelihoods are threatened by the ethic of efficiency and growth promulgated by market-led capitalism. The effect on producers of coffee prices falling to a thirty-year low, the image of ex-fishermen on Lake Victoria scavenging for scraps outside industrial fish-processing plants against which they cannot compete (Barth 1997), the conditions of sweatshop workers in the Philippines and on the American 'broiler-belt' (Harvey 1993), can all scarcely be imagined. Yet simply to condemn these things is not enough; the question is how to proceed. On what basis does an alternative ethic challenge the prevailing model of conduct?

Reversing the capitalist ethic: ritual economies and consumption

The concern thus far has been to show how peripheral people have reacted to Western markets and forms of production and how the critiques they muster are predicated upon and emerge from prior economic forms. Implicit in this account is the idea that capitalism undermines tradition. The assumption is that 'the Midas touch of capitalism immediately destroys local indigenous economies and cultures or transforms them into a standardized form involving private accumulation, rational-legal principles, individual maximisation, and western cultural domination' (Yang 2000: 481).

Economic anthropologists have long been concerned to show how people subvert, challenge or deny capitalist principles by operating under a moral logic from beyond its confines. A classic case is provided by Sahlins (1994), who documents Eastern attitudes to exchange relations with Europe. The Chinese court saw trade as a tributary relationship in which the highest technological achievements of the Industrial Revolution were reluctantly accepted in return for permission to buy luxurious Chinese goods. Here the idea of trade oriented to profit is undermined by a view that represents exchange as a form of homage.

A more intriguing avenue for subverting capitalism is suggested by Yang (2000), who is interested in the possibilities for reversal of the logic of accumulation afforded by rituals of conspicuous consumption. The

best known example of this in anthropology is the *potlatch*, in which Native Americans from the Northwest Coast used the wealth accumulated through trade and wage labour with White settlers to fund acts of ritual destruction. Rather than being motivated by a 'natural' propensity to accumulate and store wealth, these people entered into competitive tournaments in which they destroyed or gave away vast quantities of blankets, food and other valuables in order to gain prestige. Yang cites a similar case of wealthy Chinese in Wenzhou Province burning quantities of paper money and giving away goods; the desire to accumulate wealth is undone by ritual destruction and disdain for material possessions.⁶

Instead of mounting a critique of capitalism from the perspective of production and labour, as Karl Marx had done, Yang is interested in pursuing a line developed from the writings of Jean Baudrillard and Georges Bataille, who focus on the ethic behind acts of consumption. This points to a different motivation for economic activity, in which the compulsion to produce and accumulate for the future is subordinated to the desire to 'live for the present moment through exuberant consumption in the form of excesses of generosity, display, and sacrifice' (Yang 2000: 482). In these ritualised forms of destructive consumption is the possibility of reversing the ethic of production for accumulation and the impersonality of the process of commodification, and replacing it with mechanisms for redistribution and exuberant acts of personal generosity.

It is one thing to document and identify processes of domination in political economy and the way this rebounds on issues of class, the environment, and gender and on vulnerable groups and societies (Harvey 1993: 56; Lutz and Nonini 1999: 74). It is quite another to suggest avenues out of the exploitation, marginalisation, powerlessness, violence and cultural imperialism documented and highlighted in anthropological work. If a central failing of capitalist economic processes is that the unique quality of people and objects is obscured in the cold calculation of profit, then one solution may be to reintroduce such quality and specificity into relations between people.

In a polemical work, Miller (1995) has argued that we should now regard consumption as the 'vanguard of history'. By this he means that rather than rely on the coming to consciousness of the working class to bring about revolution, we should instead look to acts of consumption as a potential motor for historical change. There are two main justifications for this: the first relates to the power accorded to consumption in economic orthodoxy, the second concerns the nature of the relationships we hold with objects and people by and through our existence as consumers (see Colloredo-Mansfeld chap. 13, *supra*).

One of the principal tenets of economic theory, and a key element in the

justification of policy, is the promotion of consumer choice. Such is the power of the consumer that Miller (1995: 8–9), in promoting his polemic, suggests that the housewife, in making daily decisions as to which products to purchase, is transformed into the ‘global dictator’ of the fortunes of producers. This may be an extreme position, but evidence suggests that activities such as product boycotts, environmental concerns and demands for changes in trade policy can influence policy makers, and manufacturers are sensitive to consumer pressure, exercised through choice.

Attached to the power accorded to consumers in the economy is the moral element behind consumption. In the economic model, decisions are arrived at on the purely rational grounds of maximisation of self-interest: the desire for the best quality at the cheapest price. The demand for cheap goods then drives the competitive mechanisms of capitalism, which forces down prices. This may or may not be an accurate description of the way the economy works; in any case it is reductive of the desires and interests motivating consumers. While the objects and services we consume may not provide the sole locus of our identity, they do say something about who we are and provide a means to express our relationship to specific people and things (Carrier and Miller 1999: 36). This suggests that consumption has an ethical component rather than being purely rational, and provides a fillip to impersonal and formal commercial relations.

If we increasingly live out our lives and find meaning in relation to the things that we consume, and not through our actions as producers (Miller 1987), then the principal arena in which this is carried out is the household. The ethical content of this part of the economy lies in our activities as shoppers. We balance hedonistic impulses and desires with the supposed virtue of thrift, and it is this that underpins the material reproduction and moral economy of the household. The purchases we make for ourselves and for others demonstrate our willingness to indulge those closest to us with luxuries and gifts, which establishes a moral relationship with them, but at the same time this frippery is justified by the exercise of thrift and the value for money we seek in acquiring the basic necessities required for the household to maintain itself. Consumption hence constitutes a quintessentially ethical moment in our orientation to the world.

It is at this juncture that politics and power enter the fray. As Miller (1995: 9) points out, there is a fundamental contradiction in our actions as consumers, which drives down prices, and our interests as producers. As labour markets shift and firms practice ‘flexible accumulation’ to produce ever cheaper goods but sustain profit margins, it is worker remuneration, health and safety, and job security that are often the first casualties. Anthropologists come closer than many to seeing and sharing the experiences of workers marginalised by such policies, but increasingly

these issues have been recognised in the wider society. In a globalising world it seems fitting that the fair-trade and trade-justice movements extend the moral purposes people have long pursued in relation to those close to home to significant but distant others who produce the goods they consume. However, as Miller (2001) has argued, mostly they will do this only when broader ethical concerns about producers and environments do not compromise moral aims centred on the family. Hence the politics: Harvey (1993: 56) argues that it is incumbent upon 'a politically responsible person to know about and respond politically to all those people who daily put breakfast upon our table, even though market exchange hides from us the conditions of life of the producers'.

Conclusion

Throughout this chapter I have argued that in their engagement with the issue of ethics, anthropologists have concerned themselves with critiquing the economic models that have come to dominate the world today. In many ways this is inevitable and it is certainly one starting point for ethics: 'We might even say that the ethnographic method finds its greater purpose in its struggle against the heavy currents of colonizing narratives and totalising theories; that it discovers its potential in ideologically motivated travels to other shores' (Battaglia 1999: 119). But in the encounter with other ways of living we should also expect to reflect on our own society, and to seek out ethically inspired ways to engage with the world. Perhaps the best we can hope for in this project is, as Harvey (1993: 59) has expressed it, that we identify 'the similarities that can provide the basis for differing groups to understand each other and form alliances'.

One such alliance might coalesce around the recognition that our acts of consumption have an ethical content, and that the choices we make have material repercussions for others' efforts to survive. This is something of which economically marginalised producers are only too aware; coffee farmers know, and like to point out, that whereas the prices they receive fluctuate wildly, the cost of coffee to the consumer remains constant. It is here, and through the dissemination of the ideas of the fair-trade lobby, that their ideas about rights to subsistence, the measured economy of the household, the value of their labour and the unequal appropriation of profits by intermediaries, all can intersect with and inform ethically inspired acts of consumption.

At least two problems then have to be faced. First, building an ethical economy on choices made by individual sovereign consumers falls squarely within neoliberalism (Fridell 2007); those choices can be fickle and subject to price competition, which puts downward pressure on certification standards. Second, there is a disjuncture between moral

ideas about small-farmer household economies which ethical consumers like to believe they are supporting, and political economies of commodity production and distribution, which are part of the mainstream economy (Luetchford 2008b). To engage with such contradictions, anthropology can usefully document and compare ethical ideas and imaginations across contexts, and reveal how these are received, distorted and negotiated within markets.

Notes

1. This model of economic life, which appears natural and self-evident and which claims to be universal, draws upon a philosophical and intellectual tradition that has its roots in Western Europe and can be traced back to the Enlightenment. John Locke, Thomas Hobbes and Jean Jacques Rousseau all asserted, in different ways, that we are born equal and free, and society and the economy should reflect this vision (Booth 1993: 117, 121). In seeking to undermine old hierarchical orders, Enlightenment philosophy questioned patriarchal definitions of the family, decried domination and asserted the value of independence rather than dependency. The aim was to set up the conditions whereby individuals might enter into voluntary and formal contracts (whether of work or marriage) and exercise choice in the content and duration of those agreements.
2. As has been pointed out, Smith has been much misread; his invisible hand of the market was based upon providential nature and natural inclinations to contribute to the common good. However, the general points, that intentional individual activity has an unintended collective outcome and that the economy is driven by these impersonal forces, are accepted (see Lubasz 1992).
3. In *The Protestant ethic and the spirit of capitalism*, Max Weber (1958 [1904–05]) explicitly links this ethic to the birth of capitalism, since, he claims, the Protestants that he describes saw worldly success as an indication of divine favour and hence salvation (see Coleman chap. 21, *supra*). For an anthropological study employing this insight, see Annis (1987).
4. This distinction is clearly visible in the divide between the formal and substantive meanings of economics (see Isaac chap. 1, *supra*). The former refers to rational choices among different ends, made by individuals with limited means: this is the domain of economics. Anthropologists, on the other hand, more often rely on a substantive understanding of the economy, which situates people in relation to nature, objects and their fellow human beings.
5. This can be seen, for example, in what is considered a 'model farm', one on which a wide variety of foodstuffs are produced, and so most closely approximates the ideal of self-sufficiency.
6. A much-publicised example of ritualised destruction is provided by the rock group KLF, who purportedly took one million pounds sterling to the Scottish island of Jura in 1994, and burnt it.

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24 Households and their markets in the Andes

Enrique Mayer

There are no good models to represent the relationship between household economies and markets. The difficulty starts with the very concept of the household as starkly opposed to the market, which implies that because the household produces by itself what it needs, it does not need the market. Anthropologists who have investigated the household as a unit of production and consumption tend to treat the market as peripheral to the basic organisation of the household. Reading Stephen Gudeman and Alberto Rivera's (1990) description of the household standing alone and unaided, its members working hard merely to satisfy their needs, gives the erroneous impression that the model household's goal is autarchy. Economists, on the other hand, distort the concept of a household economy when their models translate the schema of a market economy onto households, which forces the house into the mould of a small firm interacting with the market. In so far as a household differs from a firm, the relationship between household and market is made problematic.

Yet pure, market-less households do not exist. We therefore commonly say that the household's integration to the market is partial. This reveals our perplexity more than it aids our understanding. I shall argue that there are three spheres of exchange which articulate the household to a larger world. First are the social links the household develops with other households, along which goods flow. Second there is the national market operating with money, which penetrates deeply into the inner workings of the household. Third is a sphere of exchange which I shall call the 'space in between', because it operates on the fringes of both the market and the realm of social relationships.

The concept of sphere of exchange was defined by Paul Bohannan (1963: 246; see Isaac chap. 1, *supra*) as: 'One in which a society's exchangeable goods fall into two or more mutually exclusive spheres, each marked by different institutionalization and different moral values'. For example, the household's production can be categorised as being for subsistence and for the market. The spheres of exchange are marked by the mode of exchange that predominates within a sphere. In our example, sale is distinct from allocation of food among household members. Spheres also

delineate social relationships and groups with whom it is appropriate to exchange. Thus, in the impersonal market one may buy and sell, while with one's neighbours and relatives one should be mindful of the rules of reciprocity that shape the exchanges between them.

The market sphere has been subjected to rigorous definitions and theoretical elaboration, and is the subject of much ideological dispute. Whether the market is present or absent in a given place, to what degree it has penetrated, globalised, expanded or shrunk is considered important. Markets are said to differ according to whether supply, demand and price can operate freely within them (Bohannon and Dalton 1968: 1). We learn that markets can be perfect, imperfect, volatile or stable. The shape, magnitude and growth of markets loom large in any debate about development. The kind of market operating in a given locality says something about the presence or absence of capitalism and globalisation, and the impact they have in rearranging social relationships on a small and on a grand scale. There are many kinds of markets: stock markets, future markets, international commodity markets. There are also rural peasant markets. Many anthropologists studied these markets from the 1950s to the 1970s (Belshaw 1965; Bohannon and Dalton 1968; Geertz 1963; Malinowski and de la Fuente 1982; Mintz 1959; Plattner 1989: chaps 7, 8; Skinner 1964; Tax 1963), and they were mindful of the specific functions that these markets perform for rural people and how they differ from other markets. Gudeman and Rivera (1990: 143) sum them up succinctly:

The rural folk start from the needs and capacities of the house, using the market not to make a living but to purchase what they cannot produce and to store what they cannot hold . . . The rural folk do not sell goods to obtain money as an end, nor is cash held as a store of wealth although the people keep small amounts within the home . . . the circulatory processes of the market serving to redistribute products between houses.

Distancing myself from the functionalism that characterized those early studies, I shall argue that an interesting approach is to treat the monetised markets in which rural households operate as analogous to the way nations treat their international market. That is, I think it useful to see the household's market sales and purchases as similar to exports and imports. This approach opens up worthwhile questions because economists' models of international trade forcefully draw attention to three things. First, they differentiate an export-import sector of the economy from the country's national economy, an issue that is also important in household economies. Second, international trade monitors a double flow, the flow of goods and services across international boundaries, as well as the more complex issue of how foreign exchange circulates through markets. Household econo-

mies can similarly be divided into their domestic (most often called 'subsistence') sector and their market sector. Third, this approach facilitates a sectoral approach, by regarding markets as differentiated plural realities, rather than treating the logic of the market as a single all-embracing conceptual and ideological entity (Carrier 1997).

Using this approach, we can see the household interacting with a domestic sector and the national market. The domestic sector is not only composed of the self-consumed products of a household (that is, the things it both produces and consumes) but also the sphere in which households (the plural is deliberate) carry out localised exchanges with other households and interact within a larger network of agents in quasi-market structures that characterise the space in between. Of the two, only the national market sometimes fits the conditions of a proper market that theoretical economics envisages. The other spheres may or may not fit those conditions, and they may be classed as markets or not. The dichotomy of market versus non-market is unhelpful, and we should look at exchange spheres as a continuum and study how they interact with each other.

In order to participate in the market, the household must gain access to national currency, which is the household's foreign exchange currency. Money is issued by central banks and it 'trickles down' into the countryside with great difficulty. Thus, money is like foreign currency, being external to the local economy and hard to get: resources must be expended in order to acquire cash and the price of money is high. As Gudeman and Rivera (1990: 155) say, the household's cost of entry into the market is high and market participation is carried out under conditions of absolute comparative disadvantage with adverse terms of trade for the house economy.

In behavioural terms as well, money in a peasant economy is analogous to a foreign currency in a national economy. Both the peasant's money and a nation's foreign currency are kept in their own separate domains, surrounded by complex cultural and symbolic constructs. In both cases, special strategies are employed to keep reserves replenished; priority is given to foreign over local currency; and depletion of reserves often precipitates a crisis. I shall argue that market participation and the flow of money may often have a perverse effect on the household economy.

This chapter gives examples from the Andean region, uses aspects of my own research in rural Peru (Mayer 2002) and develops points raised by Gudeman's work in Colombia, Panama and Guatemala (Gudeman 2001; Gudeman and Rivera 1990). It also draws on research by two Peruvian economists, Efraín Gonzales de Olarte (1994) and Adolfo Figueroa (1984) whose scholarship on *economías campesinas* (peasant economies) in the southern Peruvian Andes is worthy of wider attention. While the regional focus is relatively narrow, the general points made here apply fairly broadly.

The money and *gasto* spheres inside the house

In this section I shall break apart the common notion that a household's production can be divided into subsistence and surplus. Instead, it is better to approach what goes on inside the household as the permanent struggle between resources earmarked for self-consumption and those designated to bring in money.

Andean households' monitoring of flows of goods, services and money involves three categories or stocks, which I shall call spheres, that peasants attempt to keep separate (Fonseca Martel 1972). The first of the three spheres is of *gasto* ('expenditures to cover needs'; Gudeman and Rivera 1990: 44). The second sphere is of money, and the third is of services rendered through reciprocal labour obligations and barter opportunities. The three spheres are a means of tracing changes in stocks and flows of goods and services; each has its own accounting unit.

Accounting *gasto* is done in real quantities: so many sacks of potatoes, pairs of corn ears and *arrobas* of fava beans. They are rarely added up and even more rare is the practice of giving *gasto* holdings a monetary expression, but women who control this sphere have a clear idea of the quantities and assortment of items they need to maintain their family. The *gasto* ledger also includes the all-important kilos of sugar, bags of noodles, packets of salt and quarter-litre bottles of commercially produced alcoholic drinks bought in the market, which, as we shall see, consumes two-thirds of the household's monetary income.

The account of the money category is kept in currency terms. It includes not only actual bills and coins, but also resources earmarked for the production of money. The field to be planted in cash crops, the potatoes to be fed to workers when that field is worked, the coca leaf, alcohol and tobacco bought in the market which are accounted as labour costs, and the reciprocal labour obligations assigned to ploughing the cash field are part of the money category, 'for money' (*para plata*, the same term that Colombian farmers use; Gudeman and Rivera 1990: 46). Some household resources allocated to this sphere are converted to cash via the market, so the withdrawal of goods needed to produce money is anxiously noted and added up. However, men's and women's labour costs incurred in these activities are counted within the *gasto* sphere.

Money, considered a dangerous element because of its inherent liquid properties and its tendency to flow out of the household, has to be carefully managed and insulated from other flows. In this connection, Olivia Harris (1987: 251) notes:

It seems that women who are responsible for the household budget oppose the conversion to money if they don't have in mind an immediate purchase to

complete the circuit. This practice serves as a protection against inflation but is also a strategy to prevent men from converting money's excessive liquidity to drink, that is, drunkenness.

Service accounts are remembered by farmers as the number of obligations in favour of or against the household in terms of *ayni*, the Quechua term for reciprocal labour debts (Mayer 1974; Mayer and Zamalloa 1974). As well, this sphere includes other kinship, social and ritual obligations that entail customary expenditures beyond the nuclear family household.

The spheres for *gasto*, money and services are not tallied in any single measure of value. As Fonseca Martel (1986: 380) puts it: 'In each sphere the relationships of production and the cultural values are different'. This separation of spheres does not imply, however, that money or its products do not enter into, for example, the *gasto* sphere. The goods in the *gasto* sphere include, in addition to retained crops, all mercantile goods that are consumed as well as the 'ceremonial fund' (Wolf 1966), expenditures necessary to fulfil religious *cargo* obligations. Likewise, the money sphere includes the reciprocal labour exchanges that are applied to commodity production: 'The peasants finance their economy on the basis of traditional exchanges and on the basis of the advantages that they can achieve, here and there, in the mercantile sphere' (Fonseca Martel 1986: 380).

Transfers

Although the spheres are different accounting categories, the previous paragraph indicated that transfers between the *gasto* and money spheres occur all the time. Consumption goods bought in the market lose their monetary value when they enter the *gasto* sphere and become kilos of sugar. The money assigned to purchase these goods is called *para el gasto* (for expenditure), and it passes from men to women to signal that transfer (though observers throughout the Andes show how difficult it often is for women to persuade men to hand over the money; for example, Bourque and Warren 1981: 125, 144; Deere 1990: 288). Likewise, in the productive process resources are clearly transferred from one sphere to another, as when potatoes are taken out of storage to feed wage earners working on a cash crop. These transfers are not clearly accounted for as costs of production, which is why resources from the *gasto* sphere are not specifically evaluated in the money sphere. This is not to say, however, that *gasto* resources have not been counted. Women know how many resources under their jurisdiction have been used for different agricultural activities, and they carefully plan how to replace them. The transfer from one sphere to the other implies a passing of control from women to men. In our study of commercial potato production (Mayer and Glave 1999), we showed

that transfers whereby the household absorbs a portion of the costs of production permit the household to sell cash crops below their real costs, disguising the losses to themselves.

The agricultural calendar has seasonal rhythms with a mundane praxis as well as economic, ritual and ideological structures. Each activity has its season, its associated ceremonies and its intimate familial ways. As the time for certain activities approaches, family members begin planning how to marshal the resources needed. For example, the sale of animals goes up when the schools are about to start in order to buy uniforms, notebooks and pencils. Money is husbanded (note the familial term) so that cash is available when expenditures are due. The proceeds from the sale of one harvest are often used to finance the next planting. When the household is to sponsor a village-wide *fiesta*, men leave the village to find paid work in order to get the money, allocated to the *gasto* sphere, that the event requires.

Consumption needs are always in competition with productive uses. Money is invested in the productive process in amounts that vary throughout the agricultural cycle. Outlays at the beginning of the season worry farmers the most. Expenditures for fertiliser and wages tend to occur during the period of greatest cash shortage, and in moments of crisis the household has to liquidate some of its stocks to replenish its cash reserve. In our study of the unprofitability of commercial potato production, Manuel Glave and I found that farmers generally considered their cash crop 'profitable' if they were able to recover a little more than the cash invested in it, ignoring the transfers from the *gasto* sphere that made this possible (Mayer and Glave 1999: 354; Mayer et al. 1992: 68–95). When farmers used credit programmes from the Agrarian Bank, about half of the money advanced was used for consumption, the other half was invested in inputs. If the sale of their crop brought in just enough to pay back their loan, they said that they were 'even' and in good standing to start again.

These findings should alert social scientists to the need for modifying deeply held perspectives about household economies. Academics usually imagine that peasants cover their subsistence needs first and only then sell their surplus (Lipton 1968). Eric Wolf's (1966) terminology, for example, points to the priority that caloric minima have in the peasant economy: his discussion of the surplus comes afterwards. Gudeman and Rivera's (1990: 47) house model also privileges maintenance and physical growth of *la base*, the household's productive resources, above those of cash accumulation. In their model, money should be kept away from the house as much as possible. The image that comes to mind is of horizontal layers of material wealth, with a broad base of subsistence goods at the bottom, fewer

surplus market goods on top, and the market layer implicitly but securely placed over the subsistence layer.

Gudeman and Rivera write that peasants insist on having a gate that keeps farm products 'inside', carefully controlling what goes out of their doors and what comes in, which makes them sound rather like protectionist politicians. Perhaps peasants invoke this model so often because it no longer works. Instead, I suggest a sector model inside the house, with the sectors side by side. One is a market-oriented money sector (*para plata*) and the other is a home-based, food and consumption sector (*para el gasto*). The two sectors are interdependent and subsidise each other, but they also deplete each other, and even though the home sector sustains the market sector, in people's estimation it is unimportant.

The interdependence is neither as symbiotic nor as smooth as is suggested by the horizontal subsistence and surplus model. For example, *gasto* production not intended for sale has hefty monetary inputs (Mayer and Glave 1999: 356) that cannot be recovered from that activity alone. Negative feedback relationships between the money and *gasto* sectors have profound influences on each other that tend to worsen the situation of the peasantry. Those relationships may have deleterious effects on subsistence production, consumption, nutrition, resource maintenance, ecological stability, and even sustainability, as the household struggles to keep exporting cash crops to a market where prices for what they sell keep falling and prices for what they buy keep rising. Gudeman and Rivera (1990: 48) have similar concerns: 'The house cannot persist as a pure market participant but is increasingly forced to do so, with the result that it must lower its consumption or raise its work input'.

Markets in the Andes

Historically, the rural economy of the Andes has been restricted, mercantilist, state controlled, non-expansive and ethnically differentiated. Olivia Harris (1995: 375) shows that Indian participation is restricted to petty buying and selling, in contrast to the *mestizos* and *blancos*, who assume the wholesale, merchant, banking and administrative functions. The rural markets are weakly integrated into the national economy, and central and intermediate cities play the dominant role in structuring the flow of produce out of the countryside (Gonzales de Olarte 1994). A study of the Cuzco region illustrates this (Guillén *et al.* 1993). Seventy-eight per cent of this region's GDP is generated within the city of Cuzco; only 5.5 per cent of goods consumed by the urban population comes from its hinterland. Moreover, for every *sol* expended by consumers in the city, the peasant sector receives only 0.17 *sol* (Gonzales de Olarte 1994: 296). The regional market is 'restricted' because supply and demand set prices within a limited

space only (1994: 260); it is 'segmented' because price variations in one region do not greatly affect others. A regional system structures markets in hierarchical fashion forming a dendritic network (Appelby 1976; Smith 1976) that draws foodstuffs and export crops into the city and sends few goods back out to the countryside. Further, the money that dribbles into the countryside flows back out quickly, generating no rural savings.

This hierarchical market system is also important in the downward distribution of urban products, processed food, clothing and tools. The processed food industry in Peru is large, often foreign owned and dependent on imported raw materials (Lajo 1990), and its products are important for peasant households. This operates to peasants' disadvantage. While the prices of the agricultural goods that they sell fluctuate wildly, the long-term trend is downward, while the prices of the things they buy rise gradually (Gonzales de Olarte 1987). Over the long run, then, the terms of trade for peasants steadily deteriorate. Other market factors also work against peasants. Households are price takers for the sale of their perishable produce, and peasant sellers face stiff competition not only from other peasant sellers, but also from the national and international agro-industrial sector and from food brought in as part of aid programmes (Doughty 1991).

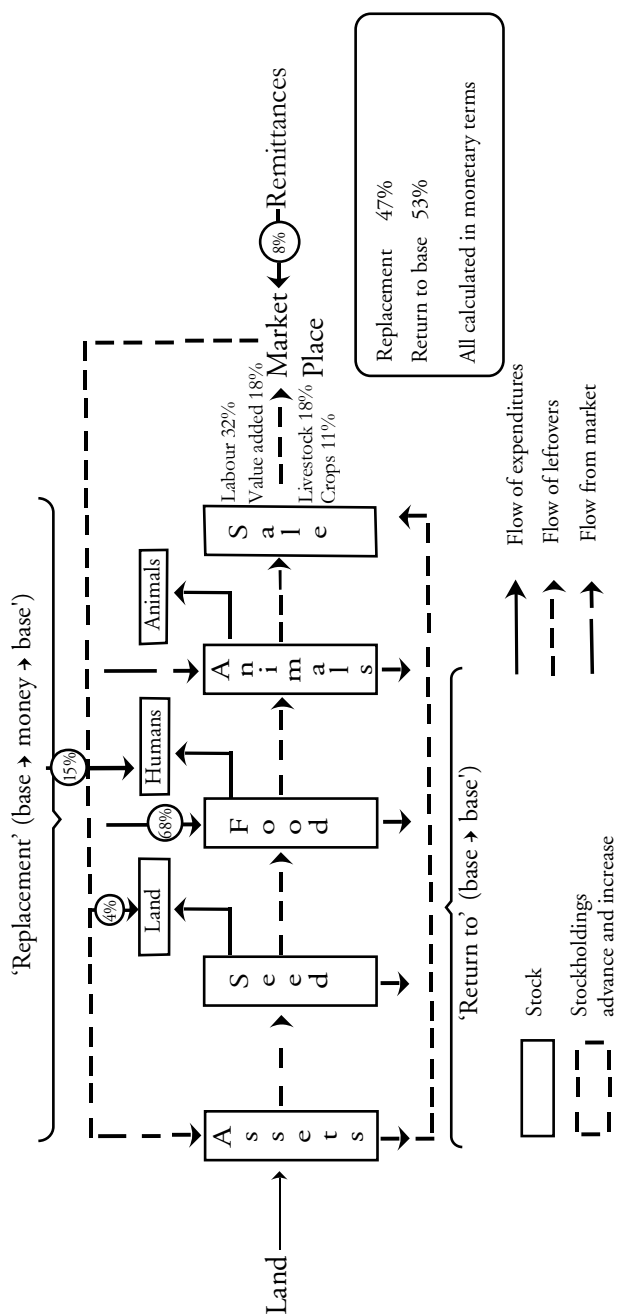
A weak and unsteady demand for labour in a region where there has been institutionalised forced labour for centuries leads to low wages paid by the day, without job security or social benefits. Further, the labour that is sought is unskilled, deployed in ever-widening circuits to mining and export enclaves, provincial cities, the capital of Lima and, increasingly, abroad (Altamirano 1992; Figueroa 1982; Hurtado 1999).

The territorial restructuring by constructing roads from valley bottoms up into the rugged and isolated mountain regions erodes older comparative advantages based on colonial and pre-Hispanic trading routes that have been drastically redrawn. Paradoxically, the new roads increase the isolation and peripheralisation of many highland dwellers (Hurtado 1999; Mazurek 1999). In all, the poor regional network of roads, the great distances, the difficult mountain topography and the absence of communication systems all mean that these households are at the 'frontiers of the market', as Gonzales de Olarte (1994) aptly titles his book.

Imports and exports

What and how much do peasants import into their households from this market? Based on surveys of 306 peasant households in eight villages of southern Peru in 1978, Figueroa (1984) identified the income and expenditure streams of a diverse range of activities typical of those households.

Figure 24.1 presents a modified version of the diagram of Gudeman and



Source: Based on Gudeman and Rivera (1990: 119) with data from Figueroa (1984).]

Note: The average family income levels estimated vary by community from 47,000 to 80,000 (1978) *soles* per year. On a *per capita* basis this income varies between 12,000 and 20,000 *soles* per year (18.5% of the urban minimum wage) . . . To put the discussion in a global context, we can see that the annual family income is approximately US\$250-400, while the annual per capita income is \$60-90. We thus have an estimation of the extreme absolute and relative poverty in which these families live (Figueroa 1984: 42).

Figure 24.1 The modified house schema.

Rivera's (1990) house schema. I have quantified the flows identified in this diagram with Figueroa's data, representative of the average household in the poorest rural regions of southern Peru.

Imports from the market flow along the top of the diagram, with a surprisingly high 68 per cent consisting of food items (mainly processed industrial food), and a very low 4 per cent being inputs to the land. The numbers next to 'sale' and below 'marketplace' in the figure depict the composition of the house's exports. Note that labour and value-added products (that is, those processed before they are sold) constitute 50 per cent of exports for money in contrast to the low percentage of staples that are sold. Note too that the export-import account is in deficit, balanced by remittances from household emigrants that keep the house going. The export-import sector accounts for 47 per cent of the flow through the house economy.

The domestic front

Self-consumption is mostly of agricultural products, some animal products (for example, wool) and items made from local resources. In order to identify the proportion of consumption items that spring from the household itself, Figueroa and Gonzales de Olarte have done studies that convert non-monetary transactions into monetary equivalents. This method of calculating everything in 'foreign' monetary terms may have its problems, but it permits certain comparisons. Figueroa finds that, on average, 53 per cent of total income is generated by the household itself for self-consumption (in the six villages this ranged between 45 and 70 per cent; Figueroa 1984: 43). In Gonzales de Olarte's (1994: 124) study in the Cuzco region, the self consumed proportion comes to 37 per cent of total income.

Another way to estimate the size and importance of the domestic sector for households is to measure calories or energy flows. In a study of the high *puna* Ñuñoa, Department of Puno, R. Brooke Thomas (1976) found that the average household exported 538,000 Kcal in animal products (half of its total calorie production), for which it received 2,664,000 Kcal in high-energy foods, a five-fold increase, which represented three-quarters of the household's calorie intake. In this protein-calorie exchange, the market clearly plays an important role in supplying the household with food. However, not all of this exchange is effected via the money market, since a sizeable proportion of meat and wool is also bartered with lowland maize farmers.

In another calorie study, Volkmar Blum (1995: 159–69) analysed production and consumption in Lamay-Qosqo, Cuzco, a maize-growing valley community. There, a mid-size family produces 9.4 million Kcal of

agricultural and animal products annually. Nearly half (47 per cent) was consumed by the family, and this more than adequately covered the family's food needs. Sixteen per cent was used for seed reserve, animal feed and payments in kind. One-third of agricultural production was sold, and this export brought in cash equivalent of US\$300. Only 3 per cent was used in barter and gifts to other households.

These different studies indicate that roughly half of total household production enters the market, whether we value this in monetary terms or in calories. Likewise, a great proportion of imports are basic food items, so to talk about self-sufficiency is ludicrous. Seen this way, one can only concur with Figueroa (1984: 42–3):

With this empirical result it is no longer possible to refer to the peasant economy as 'self-sufficient' or as 'dual'. On the contrary, it is an economy well [that is, thoroughly] integrated into the rest of the Peruvian economy. Normally when one speaks of countries one refers to an 'open economy' as one in which exports comprise 20–25 percent of GNP. On the other hand, the peasant economy has always been seen as 'closed', 'self sufficient', outside the market, when in fact it exports half of its net product.

Yet this talk of 'integration' misses three important points. First, rural household production for the urban market has always faced low prices for its exports (Schejtman 1988: 379). Second, the household has lost its comparative advantage to a globalised food market. This market affects rural households of the Andes in negative ways. It feeds them but also denies them a market for their products. 'The peasantry is ousted from the production of agricultural crops when it cannot compete with large-scale capitalist production of those crops or with the undervalued imports of foodstuffs via overvalued exchange rates and price subsidies' (de Janvry 1981: 173). And third, the principal export of the rural household constitutes its own labour rather than its products, thereby debilitating its own base.

When the Peruvian national economy crashed in 1991 in the structural readjustment period of the Fujimori regime, the strategies peasants employed to defend themselves against the crisis involved a drastic retreat from the market, a de-intensification of agriculture and a reduction in marketable output. Market integration is a dangerous game indeed.

The space in between

The space in between is composed of three elements: utilitarian reciprocal exchanges, barter and the informal sector. The task here is to integrate these non-monetary patterns into a framework that also deals with the relationship of the household with the import-export monetary market. I

am tempted to call this space the internal market, to distinguish it from the external market, but this would violate common scholarly usage. Suffice it to say that this in-between exchange network performs many of the functions of a market, and it is found in marketplaces, fairs and street corners, as well as in the informal sector in urban areas. The space in between is one of the few places where net gains can be made, and where an outlay of money can generate more money.

The pervasive non-monetary inter-household exchanges of labour, goods and sociability have made Andean Indians famous (Harris 2000). The magnitude, significance and operation of this sphere needs to be highlighted. Reciprocal labour exchanges between households constitute a large segment of non-monetary transactions. In our study of extra-household labour in potato fields in the Paucartambo Valley of the Cuzco region, 24 per cent of total labour was recruited through non-monetary labour exchanges, while 19 per cent was paid a money wage (Mayer et al. 1999: 164). Gonzales de Olarte's study of the Cuzco communities reports (1994: 191) that 34 per cent of labour exchanges are non-monetary, while 65 per cent of labour was paid in cash. Reciprocal exchange among kin-related households is so pervasive that the Quechua term *ayni* (reciprocal exchange) has become the trope used by indigenous movements to epitomise their cultural differences with the white Western world, a trope that implicitly marks the virtue and moral superiority of the communal mutual aid of the Andean way of life in contrast to the selfish greed of the market and its devil's money (Taussig 1980).

In my study of barter (Mayer 2002: chap. 5), I showed that barter is a form of protectionism. Barter networks constitute an economic sphere that is separate from the cash sphere, constructed and maintained by the peasantry who, for their own purposes and to their own advantage, try to keep it separate from the cash nexus. Peasants isolate a flow of goods to favour a group of fellow peasants, who use cultural norms to create a distinct circuit of goods for their own benefit. Norms governing with whom one barter and how control the behaviour of those inside the group and reserve privileged trading opportunities to partners. Such networks attempt, albeit not very successfully, to exclude competitive intrusions of agents from the money market.

Harris (1982: 114) echoes this characterisation in her study of the Bolivian Aymara-speaking Laymi 'ethnic economy' she studied in the 1980s: 'What makes this Indigenous economy of particular interest is the persistence of product-circulation outside the market on a large scale'. Laymi people's endogamous marriage patterns, together with their communal land tenure uniting numerous villages covering a long strip of territory that links highland pastoral areas with lowland maize areas, results in

'Laymi today exchanging less in terms of produce and labour outside the ethnic group than they have done in previous centuries' (1982: 81).

Barter also thrives because of shortages of money (see Hart chap. 10, *supra*). Such shortages cause people to rely on barter in much the same way that collapses of national currencies create renewed conditions where barter surfaces, even in monetised economies, such as the recent collapse in Argentina. I thus also argue that the inefficient operation of the cash nexus creates and maintains the barter sphere.

One surprising observation from the Peruvian case is that the frequency of barter and the volume of goods bartered appear to be so small. According to Figueroa (1984: 39), barter is a marginal activity covering perhaps 5–10 per cent of household production. Fonseca Martel (1972: 120) estimates that 10 per cent of the harvest is used for barter. The households in Blum's study (1995: 164) reserved only 3 per cent of the maize harvest for barter and gifts. An exception reported in the literature is the fruit-growing village of Tapay in the Colca Valley in Arequipa, where barter with highland pastoralists predominates over monetary transactions (Paerregaard 1997: 99).

Under-reporting is undoubtedly one factor for the low apparent level of barter. Numbers are not easily remembered and form part of an ethic of 'things not to be accounted' (*no se lleva cuenta*). The sporadic and opportunistic nature of barter transactions may also contribute to their being not considered as part of regular income patterns. Further, barter is less visible because it deliberately bypasses the money markets which researchers monitor more closely. Finally, and with good reason, household members may not find it in their best interest to report their barter transactions to researchers.

Whatever their relative size, these exchange systems perform all the functions of a market system without them being markets *strictu sensu*. They bring in goods the household does not produce; they are responsive to shifts in supply and demand. In barter systems and reciprocal labour exchanges, buyer and seller are owners of the products and services they trade. The rates of exchange are established through a reference to established equivalencies and there is ample room to haggle in Quechua, the language in which they were all fluent. They are also competitive.

Peasants suffer from a shortage of cash, and yet have to live in what Weatherford (1997: chap. 14) in other contexts calls the 'cash ghetto'. The middle classes and the developed world have access to money in the form of bank deposits, checks, credit cards and ATM machines, while poor people and rural households are denied access to them. 'The high reliance on cash is an almost universal characteristic of poor people' (Weatherford 1997: 211). Hence 'thriftiness in the use of money' (Gudeman and Rivera

1990: 79) reserves cash for market transactions. Barter serves to fill the spaces caused by a shortage of cash. 'Rural barter is an "off-the-market" exchange, a way of getting access to market functions without having to control a money fund' (Gudeman and Rivera 1990: 143).

Other advantages, too, explain the preference for barter. In some cases, as demonstrated by Glynn Custred (1974: 279), barter trade is profitable, particularly if it absorbs long-distance transport services and involves more than one transaction. Barter exchange rates tend to be controlled by peasants themselves and remain more stable and predictable in the short and medium terms. The barter sphere is relatively insulated from turmoil in the national economy, such as inflation, devaluation, currency collapse and central-bank bankruptcy. And yet barter is part of the traditional household's construction of its livelihood, which in its operation reflects and creates social relations among the inhabitants of different villages in the region. Barter networks integrate an economic region that is different from the narrow corridors of the money market, and provide an organization of space, and movement of goods and peoples, that is different from the city-dominated money-based markets. It is important to remember, though, that this peasant sphere exists within a more powerful and complex system of extractive and exploitative market relations that also affect the peasant household economy in the Andes.

Arbitrage

The space between households and the extractive national market allows room for trade: moving goods and services between markets for profit. The term 'arbitrage' (used by stock traders for the simultaneous purchase and sale of securities in different markets in order to profit from price discrepancies) is apposite because traders move between monetary markets, the space in between and the realm of household relations. They hawk in the marketplaces, peddle from house to house and undertake long barter trips, and they link households by providing goods they cannot produce and by trading in what rarely can be profitably sold for money. By exploiting various forms of exchange and social relationships they make individual gains from their entrepreneurial skills. There are numerous opportunities to exchange, using barter, cash, reciprocity, payment in kind, credit and new kinds of transaction yet to be studied.

Fonseca Martel (1972: 152) provides a nice example of arbitrage:

A poor woman, monolingual in Quechua, went to market, bought a can of sardines, walked to another village, exchanged it for an *arroba* of potatoes. Returned to the market, bartered them for two *arrobos* of oranges, and then sat in the Tangor plaza for three days selling the oranges one by one. She tripled her initial cash outlay.

She chose to sell oranges in Tangor because of the presence of a team of archaeologists and anthropologists, Fonseca Martel included, visiting the village with pockets full of cash.

Following Frederick Barth (1967), we can call the routes that arbitrageurs traverse 'circuits'. These are complex chains of transactions that, with luck, may produce some kind of gain for the trader. Some circuits are more profitable than others, but there are social, physical, legal and cash barriers that contain these circuits and limit their expansion or growth. The barriers allow for the co-existence of discrepancies in returns between the circuits. Barth also discusses entrepreneurs as those who seize on discrepancies to realise material gains but, in so doing, rearrange the circuits themselves and cause other people to reassess their original situation. Barth's scheme is helpful because it suggests that we should study the circuits and opportunities for entrepreneurship, rather than be obsessed with the mode of transaction and its relationship to one or another social group.

Figueroa's study provides an estimate of trading income that ranges from 8 to 50 per cent of total monetary exports in his six villages. In two villages trading generated 30 per cent of income of monetary exports, in others it was much lower. Villages provided opportunities for a range of different trading circuits. Some were derived from cattle operations, others from trading coca leaves brought from the lowlands and distributed higher up, from operating bakeries and brewing maize beer, and in the case of the highest percentage of income of his sample, it was because the community had a marketplace at the end of the road, where household members traded on market days (Figueroa 1984: 37). Because of his insistence in separating cash from barter transactions, Figueroa admits that he may have underestimated the amount of trade between communities.

Gudeman and Rivera's (1990: 139–42) description of the rural marketplace mentions this kind of trading only in passing, describing the kinds of traders one can find there and how a variety of small transactions take place on a 'pin money' level (Bohannon and Dalton 1968: 7). This kind of marketplace is another locus of the space in between. The coffee buyer and the labour recruiter do not appear in Gudeman's description, because, as Bohannon and Dalton have aptly pointed out, the capitalist market often bypasses peasant marketplaces altogether.

The fringes of these marketplaces are also the sites where there are what Gonzales de Olarte calls 'proto-markets'. He places the *proto market* in an evolutionary scheme as a small, primitive market not yet fully developed: 'those forms of exchange that do not yet have the characteristics of the impersonality in the transactions, that have barriers to entry and exit, and that do not function in a regular manner' (Gonzales de Olarte 1997: 40).

The real market passes them by since it is not the appropriate institution for regulating their minuscule trickle of goods. Consequently, barter and cash can co-exist in a sort of unequal symbiosis. In short, barter is seen by Gonzales de Olarte as residue, as what the real market cannot or will not pick up.

I disagree. I find that this space in between is large, dynamic and growing. It moves us away from measuring export and import balances of the household and into the world of gains and losses by individual traders. It often is easier to 'get' money through the space in between than through the export of household products. This kind of trading has followed householders in their migration to cities, to shanty towns and even abroad. 'New migrants look for work and guidance to their predecessors, especially relatives from the same communities, and carry on much the same activities as they did at home' (Sheahan 1999: 100). This sort of trade is a large segment of the Peruvian urban economy, where more than 80 per cent of workers were in personal services and retail trade in 1997 (Sheahan 1999: 99). In Ecuador's Otavalo, indigenous traders have successfully created a vibrant tourist and handicraft market and keep a tight control over it (Colloredo-Mansfield 1999; Meisch 2002).

The mixture of forms of transaction, the provision of personal services, the sharp cash-ghetto practices with which it trades, its invisibility to the official eye and its open defiance characterise the informal sector in the underdeveloped world, and it is invading the developed world as well (Hart 1973, 2000: 149–54; Smith 1989). The informal space in between is a dynamic market segment that scares the agents of the state and its officialdom, its copyright enforcers, market regulators and tax collectors. Mary Weismantel (2001) finds the transgressive behaviour ascribed to the quintessential Andean market-woman entrepreneur, the *chola*, its most important attribute. Above all, the informal market co-exists uneasily with the formal market. Full of disdain, a conservative Peruvian author, Mario Vargas Llosa (1987), calls highland Indian migrant informals 'black marketers' in the foreword of Hernando de Soto's (1989) *The other path*, a book that enthralls neoliberals, who see in formalising the informal the solution to the problems of underdevelopment.

Four paradoxical conclusions

First, the monetary market in peripheral rural areas where the household economy predominates is centralised, small, undeveloped and accounts for a small part of regional GDP.

Second, by and large, the official national market does not serve rural people well, and yet paradoxically about half of households' resources are linked to this market. Food producers in the Andes are heavy consumers of

imported foods. Commercial profits are difficult to realise in this market, but what drives it is the need for cash. The low price that households fetch when they sell agricultural products is the most important factor in explaining their reluctant participation as cash-crop producers. This does not mean that they are unresponsive to price signals, as indicated by their reaction to the higher returns realised by selling cattle or their own labour.

Third, because of these adverse conditions households try to avoid the monetised market in order to preserve their internal integrity as best they can. 'One of the puzzling features of the countryside is precisely that the house economy exists within a market context yet survives by avoiding purchases' (Gudeman and Rivera 1990: 140). Yet rural marketplaces are lively places, full of hucksters who make gains by participating in it. Successful entrepreneurial trading activities can bring much-needed money to the household. The role of trade has not yet been adequately integrated into studies of household economies, even though we have excellent urban ethnographies of market traders to guide us (Buechler 1997; Clark 1994; Kahn 1980).

Fourth, the inefficient circulation of national currency as a medium of exchange, the high cost of obtaining it, the bureaucratic control and the cash ghetto that characterises the circulation of currency in urban and rural areas of underdeveloped countries, all create opportunities for the emergence of the third space; that is, exchange circuits that bypass the legal framework, the cash nexus and the formal markets, even as this third space ultimately depends on the formal market's existence because it is its extension into the periphery.

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25 Peasants

Mark Harris

There was a time in anthropology when peasants were the new tribals. While the number of anthropologists was growing, especially in the US after the Second World War, the number of people who were living in culturally distinctive tribal groups was diminishing. What were these fledgling field workers going to study? Building on the central methods and units of anthropological research, participant observation in rural villages, ethnographers headed off to new research sites, such as Central America and the Caribbean and South East Asia. And peasants became an established area of anthropology with its own questions and issues.

What characterised this work from the beginning was a concern to move away from the idea of what Robert Redfield (1956: 7) called the 'primitive isolate'. In that idea, tribal societies could be 'regarded without reference to anything much outside of them; they could be understood more or less by one man working alone. Nor need that man be a historian, for among these non-literates there was no history to learn' (1956: 6). This approach was wholly inadequate for understanding peasants because they were 'part-societies' (Kroeber 1948: 284), encompassed by a larger whole: the nation-state and global markets. So for Redfield (1956: 37) the question becomes:

Considering a peasant community as a system of social relations, as a social structure, how shall we describe its relations with the world outside of that community? What are the modifications of concept and procedure that come about if we study a peasant village, thinking of it as a system of persisting important relationships among people? For peasantry . . . are such by reason in part of their long established interdependence with gentry and townspeople.

More than 50 years on, this challenge remains central to anthropological work with peasants: a historical perspective, specifying the character of economic and political subordination, and methodological and conceptual rigour.

The field of peasant studies, influenced by wider political and policy considerations, has been marked by arguments for and against the proposition that peasants are a uniform social category (a class unto themselves). Those that argue for (for example, Redfield and Theodor Shanin among others, and from different theoretical positions), say that peasants

constitute a separate reality, inhabiting an entirely different economic structure from feudalism, capitalism or socialism. Furthermore, they have forms of social organisation and religious life that do not fully overlap with the wider whole in which they are embedded; so, for example, a distinction is drawn between the great (elite) and little (popular) traditions. For these reasons the study of peasants needs specific tools of analysis. Those against (for example, Marxists and modernisation theorists), point out that the processes that most affect the constitution of peasant society and economy (especially those in existence now) cannot be explained in terms of local interactions. So, analysts should begin with the wider social, political and economic processes of development that are at work in rural regions. It becomes impossible to talk of discrete units and their articulation, parts of a whole or a division between rural and urban areas, since all are connected. Indeed, the distinction between primitives as whole cultures and peasants as part cultures is also a fiction.

These positions are underpinned by disparate assumptions (rather than irreconcilable differences) about the nature of social life (they are also marked by the study of different kinds of peasant societies at different times). One stresses the moral ties that bind people living and working together and that create a sense of community. In the face of hardship or damaging external demands, the moral values forge coherence and make irrelevant the economic or political inequalities within a village. The term 'folk' is often associated with this approach, and it contrasts with the urban. The other begins with material realities, such as who owns the land on which crops are planted, what kind of ecological constraints are placed on production, where do the seeds come from, is the peasant in debt and so on, since they frame all conscious action. Each social, ecological or economic process affects peasant societies unevenly, leading to a great deal of variability, not just from region to region but in the same village as well. This will be exemplified later in this chapter with a study from the Brazilian Amazon.

The point to underline is that no theoretical or empirical generalisation about peasants can apply to all historical and contemporary situations. One estimate has them numbering about a quarter of the world's population (Cancian 1989: 128), living mostly in poor countries; another says they are, and have been, the majority of humankind (Shanin 1971: 17). And the peasantry is not a dying category. Scholars have recently argued that peasants are re-emerging in some places in opposition to the large mechanised farms that do not employ much local labour. This re-emergence has been stimulated by the changing significance of land in global ecological debates, the development of grassroots politics and revaluation of self-provisioning and autonomy (for example, Douwe van

der Ploeg 2008). In these ways peasants are never far from understanding the modern world, especially the production of food.

The importance of peasants to anthropology is their representation of a special economic situation. They are both in and out of the wider society and commodity markets. Despite their political and economic subordination they have a degree of independence, as seen in their control of land and labour. They embody a dual economic orientation, providing for themselves as well as for others at the same time. This allows them a great deal of flexibility and dynamism as they respond to external pressures. They are able to support themselves more easily than other marginal but not food-producing groups in times of hardship; as they withdraw they participate less in wider networks. Conversely, in more favourable conditions, such as a good return for a crop, they will be more integrated and less isolated, and maybe less peasant, more capitalist farmer. At the same time, some peasant families may be split between parents, who work on the land full-time, and children, who have migrated to work in cities, waiting for land to become available. There may also be a division between men and women. In some villages there may be farmers who are also artisans or seamstresses, as well as livestock raisers, fishers, hunters and day labourers.

Recent anthropological research has focused on this flexible capacity to move between subsistence and market, between worker and small-scale producer of goods for trade. The challenge is to study how real people in actual economic contexts manage these cycles and competing demands. While brief and incomplete, this chapter seeks to capture complex economic realities facing peasants, and how this can be studied in anthropological terms.

Peasants and their dilemmas

Let me continue with the kinds of images and ideas that are most commonly associated with the word 'peasant' inside and outside of academic debates. From a Western European and North American perspective, it might be said that peasants and their place in society are relatively simple to understand. They farm using traditional technologies; they produce both for themselves and for a market; they consume both locally made and market-bought goods; they live in domestic groups and in rural areas and sometimes migrate to towns in search of work. It is likely that the dominant representative of such impressions is the peasants who lived in the feudal society of medieval Europe, paying rent to a master and under his political control. But it could also be those food cultivators that developed with the need to feed the rise of the state and urban centres in the Middle East 5,500 years ago. The values associated with these peas-

ants might be quite varied. And it is here that things start getting more complicated.

These images might be tinged with nostalgia for a golden past or a rural way of life; peasants could be seen as the paragon of virtue because of their hard work, expertise in sustainable use of resources and ecological knowledge, and the smallness of scale of their family-organised production. Any modernisation or development of their economy is seen as an outrage. Peasants are the victims of vicious states (see Bernstein 1990). This is an agrarian populist and mostly conservative view, fitting well with the idea that the peasantry is a separate class.

On the other hand, peasants might be seen as backward, the remnants of a feudal or traditional order. For those who wanted to destroy this old system peasants were an impediment. They were, in the words Marx (1971 [1850–52]: 230) used to describe the French peasantry of the nineteenth century, like a ‘sack of potatoes’ with no collective potential, since they were focused on their own needs. For real agrarian capitalism (or socialism) to evolve, the peasantry needed to be either removed from the land (for example, the Highland Clearances in Scotland or the English enclosures) or collectivised in order to socialise production and provide for the state-run economy. While this is a revolutionary view, it also sees the peasantry as an autonomous class. Lenin (1982 [1899]), in his study of the pre-1917 Russian peasantry, showed that with the impact of commercialisation peasants became differentiated into several classes. Rich peasants turned into the agrarian bourgeoisie, and middle and poor peasants their workers.

These positions are challenged by the post-Redfield generation of anthropologists, such as Eric Wolf (1966, 1971), Frank Cancian (1972), Joel Kahn (1980), William Roseberry (1983) and Sidney Mintz (1989). Avoiding a generalised political-economy approach, they explored how peasants are variously constituted in different times and places. They claimed that peasants’ strategies and values cannot be reduced to some primordial essence inherent in all peasantries. There may be multiple income-generating and subsistence activities taking place in one household, which involve them in different class relations. This also means that the household cannot be the elementary unit of production or consumption. Generally, the concern with the internal organisation of peasant societies has been replaced by a focus on the articulation of non-capitalist peasant sector to the capitalist form of production.

The concept of petty commodity production has added analytical precision to the study of peasants (Friedman 1980). The phrase refers to economic activities intended to generate income from market sales and in which there is a low capital investment and little dependence on hired labour. It brings clarity to the idea of the peasant economy because it reveals

more precisely the economic relations involved. It shows that peasants can be both capitalists (owners of the means of production) and also workers (labourers who work for themselves). Bernstein says: 'as capitalists, they employ – and therefore exploit – themselves' (1990: 73). For example, Joel Kahn (1980) argues that peasants' autonomy in Minangkabau, Indonesia, is maintained because they self-exploit by increasing their rice production at times when they are pressured by outside forces.

So, why are the images and ideas often associated with peasants so problematic? Perhaps the most important reason, from an anthropological view, is the evolutionism contained in these ideas. They assume that a peasant is somehow halfway between a tribal person and a factory worker, and thus between pre-capitalism and capitalism. With the feudal peasant as the template for all peasantries, it is impossible to appreciate their heterogeneity. We must not confuse the feudal peasants of Western Europe with the whole range of modern peasants in Eastern Europe, some Alpine regions, parts of Sub-Saharan Africa, China and Latin America, who all co-exist with capitalism and yet are quite different in the ways they are configured in networks of power.¹ This is the reason why peasants are said not to constitute a sociocultural or economic type of universal proportions. They have various class relations, due to the variety of their economic activities, and do not have a consistent relationship to another class (see Wolf 2001). Debates about the transition from feudalism to capitalism and its comparison with the agrarian question in various colonial situations, popular in the 1970s and 1980s, have shifted to considerations of the impact of neoliberal agricultural policies and the globalisation of food production. For example, one change of the last twenty years is the growth of a highly commoditised agricultural sector in poor countries that has little or no relationship to local labour or markets. It exists solely for export and separately from the national economy (Akram-Lodhi and Kay 2010a, 2010b). What impact does this have on land distribution, labour and food production for regional markets?

The evolutionary paradigm derives from modernisation theory and sees peasants as emerging from tribal peoples with increasing commercialisation. Thus, with colonialism, taxation and incorporation into markets, the tribal group lost its autonomy and was forced to participate in a wider commercial environment and be incorporated in an imposed social hierarchy. This new peasantry retained aspects of the past and took on new ones. They were caught between tradition and modernity. Eventually the peasantry would leave the land and move to the cities, becoming proletarians, living off their own labour power.

I shall mention two difficulties, among many, in maintaining such a position. First, when analysts are confronted with features of peasant

life that do not fit their image of 'modern' life, they tend to treat them as holdovers from the past rather than as present strategies. For instance, the peasant's organisational focus on the household is seen as part of a pre-capitalist past, not a local adaptation to or a result of the encounter with a commodity economy. Second, the confluence of technological change, industrialisation and growth of cities in places such as England relegated the peasantry to marginal status. Their surplus was no longer needed to feed an urban population because the developing capitalised, 'industrial' farming system was able to dominate food production and distribution. However, in countries where there was an uneven relationship between industrial and agrarian change and population expansion (that is, in most countries of the southern hemisphere) the peasantry has remained important to the supply of cheap food and labour, even if there has also been significant development of large-scale agriculture. The reasons for the persistence of the peasantry under such conditions is at the heart of many discussions (see Harriss 1982, and especially Taussig 1982 in that volume).

Anthropologists, through fieldwork and consulting archives (to name only two of their methods for gathering data), are fundamentally engaged in holding on to the diversity, as well as the whole, of human experience. Hence the importance attached to attending to the heterogeneity of peasantries and avoiding a Euro-centric perspective.

If the various forms of peasants do not amount to a class or a type, what justification is there for using the term to cover radically different groups in history? The justification is an element of life that is fairly common in peasant societies and economies. This is its two-sidedness, what Wolf (1966: 12) called 'the peasant dilemma'. This relates to the two worlds they inhabit, mentioned above: the local village and the world outside. 'The perennial problem of the peasantry thus consists in balancing the demands of the external world against the peasants' need to provision their households' (Wolf 1966: 15).

Wolf distinguishes between four kinds of 'funds' which the peasant has to supply. The first and most basic is the caloric minimum, food enough to stay alive. Also, to be able to continue from one year to the next, peasants need to replace equipment used or broken in the course of seasonal changes, as well as seeds for next year's crop. These two funds are the bottom line in terms of peasant reproduction, but critical also is the creation of a surplus, and cultural differences influence what is considered enough for the short term, and hence what is left as a surplus. There are two kinds of this extra provisioning: a ceremonial fund for celebrations, feasts and festivals (accompanying weddings, saints' days and so on) and a fund of rent, the amount of money or produce which goes to someone to whom the peasant is indebted. For Wolf this debt distinguishes peas-

ants from other independent cultivators (such as tribespeople), since this is how political control is effected, making the peasant part of a hierarchical social order. 'The peasant's loss was the power holder's gain' (Wolf 1966: 10). Thus Wolf defines peasants as 'rural cultivators whose surpluses are transferred to a dominant group of rulers' (1966: 3–4). This advances on Redfield's approach (above) since it specifies an economic process, bringing conceptual clarity to peasants' subordination and the diversity of ways they produce surplus.

Their dilemma is the juggling of the various demands on them, which can be dealt with in different ways at different times; hence the heterogeneity from village to village and even within the same community. Factors that may be pertinent include the availability of labour and land and capital, access to credit through patrons, the kind of natural environment and so on (we shall look in more detail at such aspects in the case study presented later in this chapter). Most of all, it is the peasant valuation of labour in terms that are alien to market calculations that produces flexibility.

The analytical rigour Wolf gives to the concept of surplus is paralleled by the descriptive eloquence John Berger gives to the same concept. Berger has written a trilogy on peasant life in the French Alps. Although not an anthropologist by training, he is most certainly an ethnographer (his novels are based on his living for many years in the community he writes about) and is influenced by Theodor Shanin's work. In the Historical Afterword to *Pig earth*, the first book in the trilogy, he notes that the 'peasant did not conceive of what is extracted from him as a surplus' (Berger 1985: 198). This is so for two reasons, one material and the other epistemological:

- 1) it was not a surplus because his family needs had not already been assured. 2) a surplus is an end product, the result of a long completed process of working and of meeting requirements. To a peasant, however, his enforced social obligations assumed the form of a preliminary obstacle . . . even if he were sharecropping, the master's share came *before* the basic needs of the family (Berger 1985: 198, original emphasis)

In other words, surplus is a primary consideration in the day-to-day significance peasants give to their juggling of competing demands. 'Yet in meeting this root problem peasants may follow two diametrically opposed strategies. The first of these is to increase production; the second to curtail consumption' (Wolf 1966: 15).

In making sense of how the peasant economy is able to act in either of these ways, it is important to introduce the ideas of the Russian economist A.V. Chayanov (1966), especially his theory of peasant economics based

in the fundamental relation between numbers of consumers and workers. This ratio was determined by the size of the family, on which all activity was based. An increase in productivity is possible if more labour becomes available or more land farmed (which means people working harder), or, more rarely, if existing obligations for the allocation of surplus are relaxed. These outcomes occur if the family grows and the children stay with the parents (more producers), or the power of landlords or bosses weakens (fewer obligations). But it could also come about from conversion to Protestantism, whereby previously large expenditures for Catholic festivals, for example, get redirected to the market (see Wolf 1966: 16).

In times of hardship, the peasant family can accommodate by reducing the amount produced for all the funds it has. Also, it can seek alternative economic strategies such as diversifying the number of crops for domestic consumption, or migrating to pursue wage labour for a while. So long as it can hold on to the land and other resources that form the base of its economic autonomy, it will be able to become more viable at a later date. Yet too much self-exploitation can lead to political action. Here the work of James Scott (1976, 1985) has been particularly influential in understanding the economic pressures that can lead to peasant uprising. Scott builds on the idea of the inviolable core of subsistence production that determines peasant economy. If it is threatened, peasants will seek to defend themselves, though not necessarily through open rebellion. Although he based his original argument in colonial Malaysia he has generalised it to other situations.

This is a summary of what can be a brutal, and often tragic, conflict between capitalist farming and peasant production. The commercialisation of agriculture involves the transformation of peasant society, since it may be accompanied by agrarian reform (favouring large landholders) and since large-scale capitalist farms need the labour of peasants. Thus begins the process of rural proletarianisation, or semi-proletarianisation. The extent to which capitalist farms displace the peasantry depends on the former's ability to absorb the labour of peasants. This can be achieved by taking over their land, reducing their holdings below a certain minimum subsistence size. This squeeze sends peasants out to sell their labour, thereby transferring their surplus to the capitalist farm in the form of cheap labour. At the same time, peasant labour is only partially incorporated because demand is seasonal. This combination of wage work on capitalist farms (or migration to cities) and peasant farming on small plots is precisely what is happening in many parts of Latin America. These households constitute a flexible labour reserve ready to be called up. What is more, the fact that they also work plots of land using domestic unpaid labour means that they can be paid less than workers who have no access

to subsistence production. In this sense, peasants subsidise less 'efficient' forms of farming (see Taussig 1982).

The modern peasant dilemma is not the same as the articulation of pre- or non-capitalist and capitalist spheres. The peasant economy is not about the integration or duality of two kinds of economic rationality. Instead modern peasantries, the ones anthropologists have studied since the Second World War, are themselves products of the integration of different parts of the world. The relatively autonomous space they occupy is not the result of a pre-capitalism failing to be transformed by its encounter with capitalism. Rather, it is the opposite: the shape and character of the existence of peasants in the world today is determined by the wider system. And it speaks to the ability of the world economy to work without full capitalisation of all economic forms. Put more specifically, capitalist farming takes advantage of peasant production in many parts of the world, and peasants in turn survive by diversifying their economic strategies. For some anthropologists (for example, Kearney 1996), this movement between many forms of economic life makes peasants unpeasant-like; indeed the term should be jettisoned. Kearney (1996: 141) uses 'polybian' ('many lives') to capture the ability to move between economic identities.

A less functionalist analysis concerning the maintenance of the peasant economy in a region such as Latin America would emphasise, on the contrary, the failure of capitalism to transform sufficiently local forms of production (for example, for Venezuela, see Roseberry 1983; for Brazil, see Nugent 1993). As areas became incorporated into the global markets there was no corresponding development of agricultural production and agrarian organisation. People's consumption changed but not necessarily or fully the way they worked, the technology used or the commoditisation of labour. So petty commodity production proliferated, a hybrid and stunted economic form that none-the-less expresses the underdeveloped nature of peripheral parts of the world (Kay 1975).

This might all seem rather abstract, and to shift the focus from peasants themselves to their place in scholarly debate. Many of the points are best illustrated with a real point of reference, though no case study can exemplify all the complexities of peasant life.

Brazilian Amazonian peasantries

Brazilian Amazonia was a part of the Portuguese maritime empire from the seventeenth century.² By the middle of the eighteenth century the Amerindians who had lived near the main river thoroughfares of the region had been ravaged by disease, war and slavery. In 1750 the remaining population was organised into mission villages along the riverbank. With the expulsion of the Jesuits in 1759, a colonial order was imposed

which aimed to stimulate production for export. It also encouraged miscegenation between Amerindians (women) and Portuguese colonists (men), which led to the creation of an Amazonian peasantry during this period. A decade after Brazil's independence in 1822, this group was large and confident enough to mount a violent and mass movement (the *cabanagem*) against the new elite, dominated by those from the south of the country. This revolt was for greater regional autonomy and the promotion of local economic needs, as opposed to the land-grabbers who sought land near towns to plant cacao. The rebellion, which started as a peasant uprising, developed into a caste war. The activities of rural inhabitants were brutally repressed, and new policies were introduced to force poor peasants to spend most of the year performing public service, thereby preventing them from self-provisioning. The end of the rebellion paved the way for the emergence of modern Amazonia (Harris 2010). This is a region which remains largely dependent on the labour of a free and mobile peasantry: plantation agriculture based on slavery, the norm for many parts of lowland South America until the 1870s, had a very high failure rate in the region. So, for example, the rubber that made possible the great industrial advances of the nineteenth century was collected mostly by small-scale independent producers who bartered with traders.

Amazonia might seem an unlikely focus for a discussion of anthropological studies of peasants.³ After all, for many the region is known for its environment and indigenous people. My aim in using this example is to show that, despite the comparative heterogeneity in the study of the peasantry, there is advantage in the continued use of the term. And the key, as emphasised earlier, is not some check-list of peasant features, but the relationship between a peasantry and a more powerful group. This allows the term to encompass a variety of predominantly rural types (who may also spend periods in urban areas), accommodates non-agricultural activities, and focuses on the relations of peasants to the market and the land. In this way we shall be able to see how the Amazonian peasantry has struggled to survive since the early nineteenth century, not only accommodating to the ups and downs of outside demands for certain products, but also developing and providing for itself.

This 'traditional' Amazonian peasantry (*caboclos*) is more accurately portrayed in the plural. The variety of environments and ways in which economic change has acted there have produced a complicated picture (see Cleary 1993). Nevertheless, these peasants share structural features that originate in their colonial background. In this respect, these Amazonian peasants are 'reconstituted', Sidney Mintz's (1989) term for Caribbean peasantries. Reconstituted peasantries are composed of people who were originally something else: in the Caribbean, slaves; in Amazonia, colo-

nists or indigenous Amerindian slaves. They are distinct from feudal or 'primary' peasantries that existed in England, for example prior to the agricultural revolution of the eighteenth century (for an Indonesian example of a reconstituted peasantry, see Schrauwers 2000: 127–8).

In Amazonia, these peasants had no collective pre-colonial background, because they were newly created (unlike the peasantries of the Andes and other closed corporate peasant communities; see Stern 1987, Wolf 1955), and there was no significant shared folk memory of a past. Instead, the peasantry was a direct result of the colonial economy that was dominated by the gathering and production of tropical goods for export. In the case of the peasants living along the rivers of the Amazon, this means that their livelihoods are not composed of a combination of pre-capitalist and capitalist forms of production, but rather a type of capitalism that characterised the Portuguese colonial economy, namely mercantilism (note this does not mean that peasants' moral economic character is 'capitalist'). Here economic life was not about creating value through labour, but controlling exchange and the flow of goods (buying cheap and selling dear, Nugent 1993: 199). From the beginning of the nineteenth century, goods were marketed principally through traders (*regatões*) who travelled in boats stopping at clients' houses along the riverbank, and who connected small-scale rural domestic production in remote areas with global markets.

This led to a form of trade (*aviamento*) based on barter calculated in terms of monetary values. It involved an informal credit relationship where manufactured goods are supplied in advance, in exchange for future payment in extractive and agricultural products such as rubber, manioc flour, timber, salted meat and fish, and Brazil nuts. The relationship resulted in the long-term indebtedness of the peasant, from which it was difficult to escape without moving elsewhere. These structural features are present in the region today, though less strong around major urban centres such as Belém. In those areas, traders do not travel great distances. Rather, rural producers come to towns to market their goods, giving them some flexibility in where they sell.

In the area where I did my fieldwork, near the town of Óbidos in the state of Pará, this cycle of indebtedness involves a patron and client system. It is remarkably stable in that it does not matter what is being transacted in the relationship, since it is not dependent on a particular product, but on a political and cultural order. Take Antonio, for example, a peasant fisherman married to Nazaré, who lives in the rural hamlet of Parú (which we shall meet in a moment) and who owns a motorised boat capable of carrying fish and ice in an insulated box. He sells his fish to a processing factory for export, having caught them in lakes and rivers in the

vicinity; he employs his sons and nephews for half of the profits. For each fishing expedition, Antonio needs nets, canoes, workers and their food, fuel for the motor and ice to keep the fish. The ice and fuel are provided on credit by the owner of the fish-processing factory, an economic relationship that can lead to political patronage, where superiors can command the votes of their clients. When the trip is over, the catch is taken back to the factory and handed over for a combination of cash in hand, reduction of debt and credit to buy foodstuffs. After expenses, the money is shared, half for Antonio and half for his workers.

But this relationship does not depend on fish. In the time of the jute industry, roughly 1930–70, the boss provided jute seeds and most, if not all, of the consumption needs for Antonio, as well as other peasant households, for the coming year. When the jute was harvested, Antonio and Nazaré had to give the crop to the boss to repay the credit extended earlier and to pay off other debts. Some bosses would offer higher prices for the jute than others, so there was a degree of competition between them. In such cases clients would sell their jute to the highest bidder, even if it was not the one who provided credit earlier. Jute growers would arrange to pay back the debts at another time. As far as I could tell, such differences in price had as much to do with bosses' estimates of the price they could get for their jute as they did with the personal deals struck between patrons and the clients. It was with the decline in the jute market in the 1970s that many bosses and their clients turned to other activities such as fishing and cattle raising, now among the dominant economic activities of peasant life on the floodplain (see MacGrath et al. 1993; WinklerPrins 2005).

The activities just described are forms of petty commodity production. People also work as wage labourers and have gardens where they produce subsistence crops. These three economic forms – petty commodity production, wage work, subsistence agriculture – each have their own labour relations and trading arrangements, and are combined in peasant households. The emphasis put upon each changes with cycles within the household itself and in the regional economy, not to mention individual preference for certain kinds of work. Thus, two neighbouring households may have quite different economic profiles and responses to external demands. This dynamic, fluid situation characterises the floodplain village of Parú.

Parú is on the north bank of the Amazon, and has about 1,000 people, all of whom are related by marriage or blood. Oral histories indicate that it was in the first half of the nineteenth century that people starting settling the floodplain areas near towns as part of an independent peasantry. Parú has no ethnic identity, being composed of people who are descended from Portuguese and Indian mixed unions (and possibly runaway slaves), as well as Italian peasants who arrived at the beginning of the twentieth

century and married locally. The population is not homogeneous, since there is a degree of differentiation in people's access to resources and ability to mobilise labour, so that some are richer than others. This can be partly explained by household developmental cycles (for example, parents holding on to sons' labour helps create wealth), but these differences are real and determine the ability of families to respond to market changes: if they fail to adjust, children will marry out, possibly migrate, and the family unit will no longer exist.

Land tenure is based on a notion of collective ownership of the community's territory, which is central for understanding the Amazonian peasantry. Individuals who have cleared an area to plant a garden or build a house are considered the 'owners' of these small areas. However, their rights to that land are provisional, depending on their continuing to use it. Thus, strategies of landholding and inheritance are an important factor in the reproduction of livelihoods. These people's landholding is not valorised by the market, since it is part of a non-monetised sphere of communal and kin relations. However, land near towns is increasingly coveted by cattle ranchers (as it has long been near the bigger towns, such as Belém and Manaus). This demand is likely to bring this land into the commodified sphere. For now, though, all that the people of Parú have to do is stay put; which is, of course, asking a lot. They engage in a bewildering diversity of economic activities: cattle raising, fishing, hunting and gathering, agriculture, artisanal work and trading, most of which could be for both subsistence and market purposes. They engage in monetary exchanges between themselves as well as with bosses, but also exchange other things, such as labour.

Because they pursue a variety of economic strategies, people in Parú are mobile, and they are adept at invoking the most distant kin and affinal ties to find places to stay and gain access to resources. Some movements are seasonal. Also, however, people tend to spend time in urban and rural areas at different points in their lives, depending on their or their children's educational needs, or their access to temporary paid employment. When they are in towns, they go on short fishing trips (for both subsistence and the market), or help friends or neighbours on their landholdings (for money). They may also do seasonal work in the Brazil-nut factory or do odd jobs for pay (some anthropologists have seen this mixture of urban and rural forms of livelihood as the peasantisation of cities; for example Roberts 1978). As this description of people's economic activities suggests, what is important is not the place where they live, but the social connections they pursue. Over the course of their lives they depend on the family networks that allow access to natural resources and in some cases allow control of labour.

Understanding this peasant economy is not difficult only because people are so mobile and have such a range of activities. As well, much of what takes place is invisible (Nugent 1993): it happens outside of the purview of the state and its tax and statistical accounting bodies. Activities do not get officially recorded, and are hidden by the larger and better remunerated forms of production associated with the market. Some is illegal, such as selling turtles or the skins of animals, but there is also the vast and inchoate sphere of non-commoditised relations, such as labour exchange, ceremonial feasts and family 'help'. How these are combined and the proportion of effort given to each varies historically.

The autonomy that peasant life on the floodplain affords rests on the ability to maintain access to and control over 'unvalorised' natural resources, such as land, water, fish, animals and trees. This autonomy is a product of the development of an economic and political system predicated on the control of trade rather than of production. People value this autonomy highly, constantly contrasting it with the life of the urban dweller who has to pay for everything. The core of this autonomy is the ability to decide how to deploy their own labour (and their children's labour if they are living with their parents). And most peasants know the value of their labour, in terms of both physical effort and monetary cost (see Harris 2000). But this autonomy is constrained by domestic needs and commercial considerations.

These needs and considerations mean that when peasants can get a good return for their products, their economy will expand and the focus of economic activities will tend to narrow down to producing one product. However, when the market for that central product declines, their economy will contract and they will return to a more diverse exploitation of economic options. In other words, the weaker the market opportunities for peasants, the stronger their internal, non-market relations have to be. The viability of the peasant economy is in inverse relationship to that of the global market for their products. During most of the twentieth century this demand has been relatively weak, and now the floodplain peasantries are threatened by large-scale commercial fisheries and cattle ranching.

I want to illustrate how this expansion and contraction work, with the case of Antonio, married to Nazaré. He is one of seven children, five of whom stayed on their parents' parcel of land, which was divided equally among them on their father's death. In the 1950s and 1960s, Antonio told me, in the run-up to the flood season (March to May) he and Nazaré worked very hard planting jute, which is labour intensive. In the low water period (September to December), when he was not planting jute, he was fishing. Throughout the year, he and Nazaré also grew a few subsistence crops. Over time, sales of fish and jute proved to be profitable, and they

were able to buy a small motorised boat that allowed him to transport and store more fish. The price of jute then declined, and he shifted all his efforts to commercial fishing, any profits being used to buy cattle, a form of savings. Antonio and his wife have not been able to do all of this on their own. They have 13 children, all of whom have remained living near their parents, partly because they have a relatively secure economic base (and do not have to pool the money they earn). Without their contribution the couple would not have been able to maintain these economic activities, which are dominated by petty commodity production rather than wage work or peasant farming. Antonio takes great pride in the fact that he has never sold his labour to a patron.

Antonio's brothers were not so successful. In particular, they could not shift to fishing when jute declined, in the way that Antonio did. They had not built up the same level of resources as Antonio and Nazaré, nor had they access to the same kin-based pool of labour. Nowadays the brothers and their families have to rely on a greater diversity of strategies, and this means that they have to decrease their consumption demands (Wolf 1966). They have also had to sell their labour, unlike Antonio, and depend on the money their sons and daughters earn selling and from wage labour.

Antonio and his brothers show that some people have been able to adapt to the economic transformations of the last thirty or so years, and some have not. In Lenin's (1982 [1899]) terms, Antonio and Nazaré are middle peasants, and are in a good position to adapt. Expansion and contraction do not occur uniformly, and the ability to negotiate new demands depends on the success of the previous enterprise and the ability to shift resources (including past profits) without loss of wealth. Also, it is important to remember that the success of petty commodity production as an economic strategy is not certain. In other circumstances, such a strategy may fail, especially if concentrating on a few activities in a petty commodity repertoire leads to the loss of skills that are vital to survival at times of contraction. This loss would make a return to peasant subsistence extremely difficult, and might force migration to cities in search of work.

I have used this material from Brazilian Amazonia to show the range of economic strategies open to rural people: subsistence-oriented agriculture and fishing, petty commodity production, and wage labour. The existence of this range is central if peasants are to survive in a hostile commercial environment.

Conclusion

This chapter has shown how peasants are an integral part of the capitalist economy: producing food and other commodities cheaply and providing low-cost labour for large rural farms and urban factories. This indeed

appears to be their economic significance over the last 200 years. Peasants and their dynamic and hybrid strategies can find interstices in the dominant institutional forms which allow them to survive and even prosper. However, increased commodification does not work evenly, and the different levels at which they can tolerate a squeeze on reproduction leads to inequalities among villagers and within families, as they are incorporated into the wider economy through different kinds of work (Akram-Lodhi and Kay 2009).

As peasants are drawn more and more into commodity spheres and lose access to land and their ability to produce enough subsistence food, concepts that dominated earlier scholarly work on peasants, such as folk traditionalism, economic backwardness and the autonomy of subsistence production, have been rejected. The change in focus could not be more stark: the view of peasants common in the 1950s and 1960s, as culturally unable to respond to change, has given way to the sober commemoration of their flexibility in the face of change. Like all sorts of other problem words, 'peasant' evokes contradictory representations and realities. It is a useful pointing term, like the way one points out a place in the distance. Come close, and it looks quite different. If it is possible to maintain the term as a shorthand for agrarian petty commodity producers who also engage in wage labour and subsistence fishing and farming, migrate over seasons and lifetimes, and are subordinate to wider political forces and economic processes, then it is worth keeping. Peasant economy is special because it is a mixture of strategies, rather than a qualitatively different economic order. And peasant activity can be seen as a local and meaningful expression of forces and processes that extends historically and globally.

The continued relevance of peasants and the study of their place in rural economies is not found in a constant set of values or a linear development from pre-capitalism to capitalism. Instead it is the complex transformations of historically contextualised small-scale producers, as they contend with the processes that shape their production for subsistence, for the home market and for export. How much, if at all, can they avoid exploiting themselves? The fact that peasants remain an active, even growing group demands analysis of both the rural economy and society and its variable incorporation into the capitalist sphere.

Notes

1. We should not assume that we know what capitalism is. The term often covers a wide variety of forms: merchant capital with which petty commodity production is linked, and advanced industrial corporate capitalism.
2. The sources I have used for this summary include Cleary (1993, 1998), Hecht and Cockburn (1989), MacLachlan (1973) and Parker (1985).

3. See Forman (1975) and Souza Martins (2002) for summaries and analyses of the different kinds of Brazilian peasantry in English. In writing on Amazonian peasants I am drawing on the work of Cleary (1993), Lima-Ayres (1992), McGrath et al. (1993) and Nugent (1993), as well as my own (Harris 2000).

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26 Economic valuations and environmental policy

Catherine Alexander

This chapter asks familiar anthropological questions in an unfamiliar setting, that of policy making. The aim is to show that bureaucratic institutions in the developed North (and indeed those in the South who come under their sway) are also bound up in their own cosmologies that determine ideas of value. That is, bureaucratic ways of evaluating and acting on the world are framed by neoclassical, market-based assumptions that, on investigation, present a distinctly partial view of what is actually going on. In place of human diversity there is uniformity; in place of qualitative changes as groups become larger there is the assumption that scale can be accounted for by simple aggregation and disaggregation.¹ Most astonishing is the privileging of economic transactions to the extent that the economic sphere not only appears to be autonomous, but also is frequently portrayed as subsuming social life and sometimes even the environment. Daniel Miller (1998: 187–216) suggests that the effect of using this representation or model in policy making is often to force the real into the straitjacket of the virtual. The recent rise of global carbon offset markets has given these tendencies greater dominance and radically increased scope.

In order to highlight just how encompassing economic assumptions and methods of identifying value have become, I track them through first an ethnography of a day devoted to showcasing recycling projects and, second, an analysis of different methods used to select optimum environmental policies. I have two reasons for choosing this material as a vehicle to explore the pervasiveness and effects of neoclassical economic thinking. First, there is generally a keen awareness among practitioners in this field that they are dealing with a multiplicity of concerns and values intersecting with, but also ranging beyond, the understanding of value in the economic sense. Not only are market prices taken into account, but also values attaching to the environment and to society. The latter is a particularly troublesome variable, muddying the reductive elegance of equations mapping interactions between the more pliable categories of ‘economy’ and ‘environment’ (see Hirsch chap. 19, *supra*). What is of particular interest is how all these larger matters, traditionally external to

microeconomic concerns, are internalised and brought within the domain of a bounded economy.

The second reason for analysing common methods for valuing and selecting environmental (particularly waste) strategies, is that wastes are the classic negative externality of economics (see, for example, Callon 1998), the byproduct of a given activity that adversely affects parties beyond the immediate transacting frame. The field here is rich in both material and metaphorical transformations within and between various aesthetics of waste and value (see Thompson 1979). It is hard enough to characterise waste satisfactorily – Graedel and Allenby (1995: 83) suggest at least five definitions used by different legal entities – but as the semiotic objective co-relative of value, waste also serves to emphasise that both terms are highly mobile² and indeed mobilising categories.³ One way of tackling negative externalities is to force the producer through legislation to account and be responsible for them. This chapter is about the implications of bringing the environment and society into a balance sheet.

In addition to including ideas of society and the environment in economic equations, attempts to value the environment shift timeframes dramatically. Conventionally, profit-based transactions are driven by a 10–15-year span. But, typically, accounting for the environment highlights the need to recognise, ‘inter- and intratemporal equity’ (Seroa da Motta 2001: 1) if there are to be adequate global resources for the next generation to live to the same standard as the present (otherwise denoted by the shorthand tag, ‘sustainability’). In other words, it is not enough to think about allocating resources fairly between North and South (intratemporal equity), one must also consider the needs of future generations alongside the present (intertemporal equity). Originating in forestry, where it simply meant ensuring that sufficient trees were planted to replace those logged, ‘sustainability’ was fleshed out by the 1987 Brundtland report⁴ to become the *sine qua non* of new product placements, policy making and research grant applications, yoking together a dizzying array of academic disciplines, public and private domains. ‘Sustainability’ has become a potent but empty rallying cry, laden with positive value but so variable in content that it is almost devoid of meaning, other than being a Good Thing. Origins, however, will out. In practice, sustainable development is often more heavily weighted towards environmental preservation, and is less than clear on what is meant by ‘society’.⁵

Oddly enough, as the following sections illustrate, many wishing to reveal the environmental inequities inherent in transactions driven solely by short-term, profit-based aims, still try to counter theories of neoliberal economics by using exactly the same premises (see Barde and Pearce 1991; Pearce and Markandya 1989); the core axioms of market economics

remain inviolate and unchallenged (Foster 2002: 26–7; Jacobs 1994).⁶ As an example, Seroa da Motta (2001: 5) states: ‘ecological values can be estimated with economic valuation methods which rely on the same theoretical background as microeconomics’. Other than the abrupt change from a microeconomic focus on a firm’s activities to encompass the world, the faith in predictable models is right in line with the belief that the market is a self-regulating mechanism.

The next section is a brief case study where market assumptions were used to select recycling schemes for funding; those, in other words, that demonstrated value for money.⁷ I then pursue themes arising from this case study through an examination of some common methods used to evaluate potential policies that have effects across several domains. Both sections show the unintended effects of applying one form of rationality to a multitude of concerns, contexts and scales. Often, the result is the very opposite of the intention.

A short case study: London Recycling Day

In the summer of 2003,⁸ a Recycling Day was held in London’s City Hall to present a series of projects underway in some of the administrative sub-districts (boroughs) of London. The impetus was the series of EU targets set for recycling wastes, which Britain was far from being likely to meet, particularly in urban areas. Approximately £21 million had been granted by the government, matched with funding from industrial partnerships. Over the previous year, London boroughs had been invited to submit proposals for local schemes, which were then evaluated and compared according to both the fund’s priorities and value added to local communities. Those projects that met the competitive criteria most successfully were awarded funds to start work. Thus a streamlined process was set in motion for establishing the best investment of public funds in partnership with the private sector. This was the theory; but in the interstices of the day’s official presentations, a number of other concerns floated to the surface.

The ‘waste hierarchy’, a preferential ranking of measures to deal with wastes, begins with waste prevention and minimisation, embracing consumption reduction, designing products to ensure minimal end-of-life waste and targeting producers in the hope that they will internalise responsibility for product residues. The next ranks move through various options for recovering value (of any definition) from resources after primary use, such as reuse, recycling, energy recovery and finally land-filling (which salvages almost nothing of value). Each of these transformatory options may produce yet another layer of waste byproducts. These then are the descending levels of preference for waste management; after all it costs less to have no or little waste in the first place than to find options for dealing with it later.

Yet, in the allocation of money to support these projects tackling urban waste management, minimisation and local, informal initiatives were given the lowest priorities. The highest priority and funding went to those schemes where clear baselines, improvement targets and outcomes could be established: it is easier to count tons of collected glass than to account for waste reduction at source. Visibility, in other words, drove the selection of projects, not the sequence of the waste hierarchy. Consumption reduction also conflicts awkwardly with other political goals for a constant growth economy, another foundational construct of sustainability.⁹

Competition, a central tenet of market efficiency, was the means of selecting the best projects to fund, so that only the leanest schemes, offering the most benefit for the least cost, would get through. There were several comments, however, from local officials that, lacking experience in writing proposals, considerable time was consumed in planning and redrafting submissions to present their knowledge in the right format, especially as several staff left during the tendering process and new recruits had to start again from scratch. In effect, the wheel was designed many times in parallel across the boroughs and, as in any competition, many proposals remained unfunded. The transaction costs for each borough in preparing the proposals were considerable; they may not have appeared on the recycling fund's balance sheet, but were charged to another public account. This is the problem with extrapolating from microeconomic principles: sight is lost of larger- or smaller-scale effects, whether costs or benefits. As an efficient production of optimum results, the competitive process works as long as efficiency is only judged at one scale. Slip a scale down and the picture is one that is neither effective nor efficient, but actually produces waste.

The high premium that economics traditionally places on competition as the best way of achieving low-cost, high-quality products in a short timeframe discounts those benefits brought by operating to a longer timescale and sharing knowledge. This suggests that what may work to secure profit maximisation is inappropriate in a public sector with different goals, timeframes and obligations. Introducing an 'internal market' fundamentally changes the constitution of an entity, whether it is a city or a government administration. Suddenly components (whether departments, boroughs or counties) become semi-autonomous, are valued as if they are independent operations and are placed in conditions of rivalry. It is as if one part of a body were hostile to another.

The final two observations from the Recycling Day also point to the emphasis on accounting for the visible, and the tendency to slip between micro- and macro-levels of concern, without recognising qualitative differences. Many speeches spoke of the intention to make London sustainable. One speaker envisaged a future London as a self-sufficient island in

response to a comment from the floor that Britain's largest metropolis consumed more and produced more waste than other areas of the country. These comments were belied by a number of discrepancies. Although the day was for recycling, not one project examined the direct re-use of an object. Recycling was largely left as a potential direction, but the loop remained unclosed. Only once was the transformatory point made explicit. One borough had built a municipal recycling facility (MRF) with an industrial partner who pointed out the advantage of public and private sectors joining forces since, through his company, global markets were available for selling compacted wastes produced by the MRF. Suddenly, the boundaries of sustainable London became a little more porous.

The Recycling Day illustrates a number of topics that disturb an easy confidence not only in the impartiality of market processes designed to optimise value, but also in their rationality and internal coherence. First, competition as an efficient means of achieving the best price for consumers often just relocates the costs to another level of (dis)aggregation. Following from this point, visibility and scale are both key. Efficiency can only be shown if it is visible and measurable. As a result, quantifiable elements are stressed, even when this contradicts preferences produced from a different logic. Thus there is an emphasis on recycling and waste disposal options rather than minimisation schemes. Objective evaluation depends on comparison of like with like, but the items that are costed and the bounds of the exercise often depend on the agenda driving them. Identifying efficiency is again a consequence of the scale of analysis. Transaction costs above or below the frame of concern 'disappear', to be displaced to another account or relocated beyond the actor's immediate realm of responsibility. Global markets for disposing of wastes also serve to gloss the transfer of the North's wastes to the South. As described below, carbon credit schemes appear to both exacerbate and conceal global social and environmental inequalities.

Methods of valuing the environment

This section re-examines these matters through an exploration of commonly used instruments to estimate the worth or value of an activity or product: cost-benefit analysis (CBA), triple bottom line (3BL) assessment, life-cycle analyses or studies (LCA) (see also Alexander and Smaje 2008). Having considered the history, purposes and problems attached to each, I then look at the implicit assumptions underlying such calculations and their consequences. The political importance attached to neoclassical models of economic motivation 'has been placed solely on our future – historical investigation of the market has not had anywhere near such importance placed upon it' (Muldrew 1998: 11). Together with history,

an anthropological perspective on the open-ended formation of culture, economy and history (see Granovetter 1985: 486) might help to show that alternative modes of thinking and acting are possible.

Cost–benefit analysis

Cost–benefit analysis is perhaps the best known means of assessing the impact of a process or product. At its simplest, CBA takes a proposed or existing situation or regulation and then identifies and costs all associated negative and positive effects. These effects may be tangible ('hard'), such as increased annual production of pig iron by 5,000 tons, or intangible ('soft'), such as a jollier workforce after the installation of a coffee machine. The analysis is completed by a comparison of the respective values of costs and benefits and the production of a single bottom line: the balance. It is a devastatingly effective tool to gauge the desirability of different courses of action precisely because it appears to be so simple and transparent. The problems are legion.

Fundamental to CBA is the faith that everything is convertible to money; in other words, that everything can be commoditised. Several points follow from this assertion. First, some consequences of a given action may not be easily rendered into money terms, such as happiness or increased fear of crime. Of course, with actuarial assistance a price can be deduced for almost anything, usually by tracking an action's effects until they are transformed into something quantifiable. A happy workforce, such an argument might run, will result in increased productivity for the same level of wages. Thus, the benefit of a coffee machine may be costed as improved profit margins. How far such a costing is meaningful is debatable. By using money as a universal means of equivalence, the incomparable and inalienable are meaninglessly reduced to so many vending machines. In her careful exploration of the history of life insurance in Britain and America, Zelizer (1985) tracks the changes in the often contested and conflicting economic, social and moral values placed on children, showing the high mobility of values not only through time but also between different personal, moral and financial registers. Doing so, she shows the slippage from the streamlined, liberal model of an autonomous market to the lived complexity where, 'all markets are sets of social relations that involve consumption, production and exchange under a variety of social settings' (1994: xi).

The other supposition that needs to be questioned is whether money is the levelling instrument of universal equivalence it is usually assumed to be (for example, Simmel 1990). There is a long tradition of the moral repugnance produced by the artifice of joining unlike to unlike through money. Yet Zelizer (1994) shows that, in use, supposedly universal currencies

are in fact often carefully earmarked for different purposes. Money from immoral sources is kept away from church donations, other monies are saved in labelled tins for children's clothes, treats, milk, insurance and so forth. Zelizer's prime target is the supposed neutrality of general-purpose money (Dalton 1965), although there is a wealth of anthropological literature (for example, Bloch and Parry 1989; Bohannon and Bohannon 1968; Hart 1986; Malinowski 2002 [1922]) itemising the separation of different transacting spheres through special purpose monies that keep items of incommensurable moral value distinct.

Central to this discussion is the identification of costs, benefits and recipients: who gets to choose? Who speaks on whose behalf? MacLennan (1997) follows the regulatory acts in the US to control pollution. Her conclusion, following Eads and Fixe (1984), is that CBA in the policy sphere almost inevitably results in favouring business, to the cost of both citizens and the public sphere of governance. By resorting to justification of policy through the supposed objectivity of CBA, democracy is weakened: there is simply no room for human judgement. But the objectivity of CBA is questioned by considering the degree of arbitrariness in selecting *what* is chosen to be costed, *how* costs are attributed and allocated and *where* the analyst ceases to include knock-on effects and so on. At best it is indicative, at worst it undermines democracy.

Increasingly, remedies are sought for the deficiencies of CBA. In response to environmentalists' cries that the natural world was unvalued, one woefully ironic solution has been to include 'nature' as an element in the balance sheet of CBA (Foster 2002: 26). Thus, in one stroke, the environment is broken into manageable chunks (climate, rivers, forests, livestock), commoditised and internalised within the economic sphere; the priceless can now be converted into pig iron and vending machines.

Barde and Pearce (1991), for example, argue that costs *can* be placed upon the environment through such ploys as 'the public's' willingness to pay (WTP) for preserving their surroundings. Erased from the picture is the fact that this 'public' is composed of an infinite variety of people with different financial capacities and disparate demands upon their household resources. The 'willingness' in WTP is only useful for a public comprising of identical economic men busily calculating and comparing every action for immediate maximum payoff. Citing the example of the decision not to construct a tunnel costing £92 million for the Southampton–Portsmouth M3 extension, their conclusion is that this area of outstanding beauty can be valued at less than £92 million. Necessarily, in drawing such a clear conclusion, the opportunity costs of such a tunnel (more hospitals, for example, or better-paid workers) are not examined, nor are changing values over time.

Lanigan (1993: 2–3) *does* tackle opportunity costs in discussing the uses of CBA for air pollution. In a careful study, she points to the high degree of uncertainty that must be (but is rarely) acknowledged, the frequent lack of adequate data (especially where data extrapolated from developed countries are used for the South) and the tendency to privilege richer states. These uncertainties and biases are apparent in, for instance, the selection of the timeframe within which costs are estimated, which has a marked effect on the final result, particularly when long-term investments are involved. Lanigan's point about uncertainty can be multiplied: not just timeframes but, as Cole (2002: 89) notes, discount rates are also inevitably subjective.

People are usually absent from CBA other than as an invented collective: local communities given commonality through proximity (see Amin and Thrift 2002: 41–7), or 'society' as a group of people supposedly sharing a monoculture. Just like the environment, people or indeed 'culture' have to be made visible and internalised in order to be made manifest on the balance sheet of CBA. Without this process of internalisation, a consequence of the thought experiment that is a totalising economy (Granovetter 1985), people are blanked out of the equation. In effect it is a continuation of Wolf's (1982) thesis of the excluded: either you are erased from consideration or you are purportedly represented by an abstract aggregate that someone else has created, damned if you're in the balance sheet and damned if you're not. CBA cannot cope with very much reality and, as Lanigan (1993: 14) points out, if applied to large-scale situations, 'can involve simplification to the point of inanity'. MacLennan (1997) also points to the problematic position of people in CBA, noting that private-sector interests are given primacy over the stake of the public sector in the shape of government but that, in this formulation, the private sector equates to business. It is easy to forget the multiplicity of incompatible public–private pairings (see Warner 2002: 29) which makes it logically impossible to scoop together meanings accruing to either side of the dichotomy. For example, members of the public may emerge from their domestic space to engage in a market transaction where their consumer rights are protected by legislation created by a democratic government.

The final problem with CBA is one that pervades any form of impact assessment: what is to be included? As Dalton (1959) illustrates in his study of management and audit processes, the selection of items to be costed is at best arbitrary, at worst, highly political (see also P. Miller 1998: 174–93). Granovetter's (1985) discussion of Dalton's study emphasises that social relations and market institutions are far from independent of each other (see also Alexander 2001). My study of costing sugar production in Turkey (Alexander 2002) showed that a great range in results was possible, largely

determined by who was doing the costing to what ends and by what was selected for inclusion. On pure cost terms, the Turkish treasury claimed that it was cheaper to import sugar than to produce it domestically with all the attendant subsidies. However, a closer knowledge of the agro-industry, plus a more expansive approach to the ripple effects of production, disclosed considerable benefits to local farmers from the byproducts of sugar production: green fodder for their animals over the summer; beet pulp for feed over the winter. Additionally, the sugar factories provided employment in areas where farming was difficult due to harsh climates and fear of terrorism, and where there was little opportunity for industry to flourish. Potential political leverage was also significant if rent-seeking activities are included: factories served as channels for subsidies and, as sources of employment, they could be translated into votes. However, the treasury, conducting a straightforward comparison between expenditure and income, did not count these additional, longer-term values. Just as it can be difficult to identify the beginning and end of relationships that exist through and beyond market relations, so bounding a cost–benefit exercise can also be contentious.

Triple bottom line (3BL) assessments

Although cost–benefit analyses continue to be popular and used in both small, relatively circumscribed cases and macro-scale situations, recognition of the difficulties in reducing everything to financial cost has resulted in an increasing emphasis on 3BL assessments. Borrowing from the ideas of sustainable development with its three ‘pillars’ (social, economic and environmental), 3BL assessments acknowledge that these three domains are essentially incommensurate. In other words, the reasoning goes, since a clod of environment cannot sensibly be exchanged for a nugget of society, an evaluation of a proposal’s impact must be positive in each realm. Thus, a potential environmental disaster cannot be offset by increased employment or educational provision; evidence of short-term profit should not be allowed to compensate for irreversible natural degradation or human suffering. Corporations and governments should focus on added value (and costs) in all three areas. All well and good, but the challenge remains to translate intention into routine practice.

Elkington’s (1997) analysis of 3BL, *Cannibals with forks*, suggests that although the primary consideration of business is profit, increasing consumer pressure will force corporate capitalism (the cannibals in question) also to address questions of social justice and environmental quality (the three-pronged fork of the title). This is in line with neoliberal trends that displace responsibility from central government and corporations to individuals, replacing regulation with ‘consumer power’ (Alexander 2010).

Corporate enthusiasm is unlikely. The most realistic expectation is that costs are passed on to consumers or the 'triple bottom line is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters'.¹⁰ In other words, 3BL can help to make some processes visible but, as the saying goes, weighing the turkey will not make it fatter. Declarations of environmental and social concerns are useful as a sugar coating to flatter ethical investors and thus can be shown to enhance shareholder value. Ultimately, left to self-regulation, business often continues to ransack the natural world for finite, primary resources.

The next question is the extent to which the 3BL method is logically consistent with the accounting paradigms from which it has been extrapolated. Double-entry bookkeeping is central to modern accounting. It is a system of logging business dealings, which emerged in Italy in the fourteenth century and brought an unprecedented level of accuracy to assessments of a firm's financial position. Previously, all transactions had been written down chronologically so that the purchase of a merchant's cargo of silk might be recorded one day, and monies received for the sale of rare spices might be entered the next. Double-entry accounting changed this radically by seeing any movement of money as having (at least) a dual effect: debiting one account and crediting another. The benefits are three-fold: recording each transaction twice reduces inaccuracies; the exact state of any account at any time can be readily seen in terms of profit or debt; the intensity of interactions between particular accounts is made more visible. There is still one overall balance for the firm, but its internal flow of cash is now also discernible. For Goody (1989), the advent of double-entry bookkeeping was an imaginative leap from approximation to the precise, mechanical, predictable representation of a Newtonian universe.

Since 3BL assessments borrow from accounting metaphors it seems logical to assume that each bottom line is representing the equivalent of a business or, at any rate, a bounded entity with internal movement of profit (or goods) and debt (or bads). In fact, however, several moves are happening with 3BL. On the one hand, the three spheres of environment, economy and society are theoretically recognised in their own right without being encompassed by one overarching category. On the other, there remains the sense that at some level translation *is* possible between these three. After all, each is often referred to as 'capital', which commonly stands for transformable 'resources'.¹¹

There are several ways of showing the three areas, but I focus here on one common graphical representation of the relationship between these areas in 3BL. The environmental balance is drawn at the bottom, the line for the economy appears in the middle, while 'society' hovers above the

other two. The reasoning is simple; at the same time, a curious conflation of economic theories and hierarchies is suggested. In such a form, the natural world is the source of all value, without which neither economy nor society can exist. If it is the beginning then it is also, in the sense of having finite reserves, the end. It is the ultimate bottom line. The second line, 'the economy', is shown separately from the environment and society, yet is dependent on the former and supports the latter, mediating between the two and converting latent value into tradable assets. Society itself thus becomes the hybrid result of transformation: it is just another value drawn from the earth. For an abstract thought experiment, this second line is staggeringly autonomous. After all, as Weber noted, economic action is only a special, if important, form of social action (quoted in Granovetter 1985: 481). This is the most striking premise on which all these methods of valuation are founded: that the economy can exist entirely detached from social forms.

The third line is 'society', shown as a superstructure that is produced by, or at any rate dependent upon, the economy and far removed from the base. It is far from clear what this line represents; all too frequently it is nothing more than a capacious carpet bag for the awkwardly immeasurable leftover elements, 'social things'. Putnam's (2000) definition of human capital as labour resources with associated skills and loyalty, as distinct from social or 'societal' capital as infrastructural services such as education, hospitals and transport, has been seized upon by economists and the developmental sphere alike. Sufficient ambiguity remains for these terms to be rallying cries for both the World Bank and jurisdictions of entirely different hues; the common ground is that framing society in this way effectively translates it into just another input into economic processes. I have concentrated on unpicking the implications of depicting the three bottom lines as a hierarchy because it illustrates most clearly the institutionalisation of the economy as an independent entity. Other forms of representation may show the three lines stacked side by side or as a maze of bi-directional flows. In each case, golem-like, 'the economy' is shown as independent.

The environment can at least be seen out of one's window. But for all that 'society' and 'economy' seem, in 3BL analyses, to be as open to examination and manipulation, they are less apparent in themselves than in their effects or their interactions with each other or the natural world. Thus ecological tax reform, fair trade and environmental refugee issues are all the results of connections or clashes between two or more of these bottom lines: the assumption behind ecological taxation, for example, is that such financial instruments will have multiple effects in all three domains. If the implication is that *none* of these areas is wholly autonomous, then the

challenge is to find a way of analysing complexity without rendering it down to monolithic regimes of value that would obscure the connections among events that result from policy decisions.

Life-cycle studies and other impact assessments

The last method of valuation explored here is life-cycle analysis, a relatively recent form of assessing the total effect of a given product or action (Jönson 1996; SustainAbility 1993). In essence, it attempts to examine all effects on the environment of producing and consuming a product, from cradle to grave. Another popular use is as a tool to decide optimal environmental strategies by comparing options. Once again, the emphasis is on quantification. Thus, an LCA might seek to enumerate the energy and raw materials that go into producing an object and the various forms of waste that are generated at each stage of the object's life. Second-generation costs, such as the factory equipment used to produce an item or for the educational system that produces a skilled workforce, are usually excluded from the study. Even so, a key problem is identifying both cradle and grave, especially where goods are potentially recyclable. Where death has lost its sting, the study's parameters are necessarily arbitrary.

The difficulty of comparing the whole-life effects of one product against another to any meaningful degree slightly reduces the usefulness of LCA as a comparative tool. Indeed LCA studies are often commissioned by manufacturers to 'prove' that their product is more eco-friendly than another, suggesting the convenient flexibility of LCA. If the requisite data can be gathered and manipulated, LCA is indeed a powerful diagnostic instrument, but demands are high on setting clear boundaries and processing vast amounts of data. Thus assessing land-filling wastes requires, at least, an understanding of transportation costs (for example, road maintenance, fuel use, capital depreciation of vehicles) together with possible air and groundwater pollution in order to compare this disposal option with waste incineration.

As with CBA and 3BL, the initial inventory of elements (the life-cycle inventory or LCI) to be included is ultimately down to the discretion of the analyst. 'Streamlined' LCAs focus on different elements, but such weightings may also anticipate the outcome, as might LCAs in support of single-issue policies. Again, data interpretation entails a series of value judgements. For example, pollutants of varying toxicity may require comparison, a feat rendered harder if a highly toxic pollutant (for example, sulphur) appears in smaller quantities than one that is less toxic. Toxicity itself is a relative term, and is context or object dependent. Use of non-renewable resources such as fuels may have to be compared with the costs of producing recyclable items or deploying renewable resources (for

example, softwoods) for paper. The difficulty is compounded by the fact that combinations of environmental impacts may be more, or indeed less, than the sum of their parts (a point often forgotten with environmental impact assessments as well). Recalling Lanigan's phrase about oversimplification, simple aggregation of a series of quantified impacts may be extremely dubious.

The hopes that LCAs might enable incontrovertible decisions to be made have largely been discredited, although this has not dampened the enthusiasm of practitioners. Social and economic effects are rarely included, and one response is to refine LCAs by 'adding in' a bit of society. In the main they are most useful, like all forms of assessment, when employed to make information available to decision makers. The temptation, as with all forms of quantifiable assessment, is to attenuate the role of human judgement and to rely on what appears to be objectivity, the result of 'good science'.

Conclusion

Traditionally, economic anthropology has focused on the interactions and links between the economic side of life and other realms such as kinship, politics or ideology. The other characteristic of anthropology is to study the diversity of experiences and values within both the lives of individuals and the groups to which they belong. Constant negotiation between conflicting norms, preferences and expectations is accepted as part of most people's lives as they move between different groups and settings (for example, workplace, kin, neighbourhood, country and so on), changing their situation and position vis-à-vis other individuals. As a consequence, anthropology tends to be sceptical of attempts to treat 'the economy' as self-contained and self-regulating with its own laws and mechanisms.

From what I have said in this chapter, it should be clear how tenacious this notion of the mechanical economy is as its core assumptions pervade other spheres of policy making. The emphasis on the visible and quantifiable, the erosion of variability in place of standardisation, the tendency to aggregate across qualitatively different domains are all apparent in the examples I have given, but are also typical of neoclassical economics as a whole.¹² As this chapter shows, well-meaning attempts to recognise the value of the environment frequently fall back on reduction and quantification. Analogy to money as a means of equivalence further distorts and distances the essential qualities of the entity under observation.

The recent rise of carbon offset markets (Böhm and Dabhi 2009) is the most vivid example of the spread of neoclassical economic thinking into policies nominally intended to protect the environment. Recognising that

money is a fairly arbitrary measure of value, in the broadest sense, this has been replaced by carbon. Since everything is made out of carbon, the reasoning runs, this is the ultimate measure of value. In other contexts, energy fulfils the same criterion. Energy and carbon, it might be noted, are life in its most fundamental sense.¹³ It is this impression of getting to the essence of things that drives these latest moves in accounting for the environment. The entailments are profound, not least in bringing questions of scale to the fore.

A nominal cap on global carbon emissions was set by the Kyoto Protocol.¹⁴ Countries exceeding their quota are penalised, those producing less, or providing carbon sinks via reforestation or afforestation programmes, for example, receive credits; these credits are tradable in the global market. The claim that the world can be reduced to and traded at a molecular scale implies that it is infinitely fungible; everything can be made the same (MacKenzie 2009).¹⁵ Crucially, what is lost through what Lohmann (2010) has termed this 'fetishisation of molecules, numbers and targets', is local particularity. Rich countries can buy credits from poor countries to continue polluting. Government-sponsored carbon sink schemes can displace local communities from the land. Local effects are, however, erased from view. The thesis is similar to Scott's (1998) argument in *Seeing like a state*: treating everything as if it were the same often results in different forms of injustice and failure where the local meets the global, with its standardising practice. By only recognising molecular and global scales, carbon accounting dramatically extends the process, reach and effects of seeing like a state. Anthropology, with its characteristic focus on the conjunction of local and global, is ideally placed to uncover the consequences of this latest form of environmental accounting.

Bringing an anthropological eye to these instances of economic valuation suggests a nice paradox. From one perspective, contingency, heterogeneity and ingenuity are all reduced to regular units and predictable processes. However, closer inspection often shows that precise methods of accounting and prediction are in fact fairly arbitrary. Measurements of value depend upon what is chosen to be made visible, who chooses and how it is measured. Definitions are slippery, and one process, product or activity can be represented entirely differently according to where finitude is drawn and what is deemed to constitute its primary characteristics.

This chapter has outlined some of the contradictions and consequences inherent in market-based thinking running rampant across public spheres and discrete moral domains, and being accorded an objective truth above the imperfect mode of democratic governance. Writing about 'the limited utility of economic analysis for environmental protection' (Cole 2002: 132), an economist, J.H. Dales (1968: 39–40), observed: '[T]he economist

is quite unable to draw up a table showing all benefits and costs of all anti-pollution policies . . . that might be proposed; he is therefore quite unable to say that one policy is demonstrably superior to all others'. His conclusion (1968: 77, emphasis added) is that whether pollution problems are considered as an economic exercise or more properly in the legal realm (property rights), 'any anti-pollution policy is . . . bound to be *in the nature of a social experiment*'. Yet the assumption that market behaviour (individuating, maximising transactions between autonomous agents) is essential and pervasive now goes much further than early advocates of liberalism ever thought possible. Market values have invaded the public sphere of governance, quantified the ineffable and made uncertainty a greater sin than reliance on human judgement.

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Notes

1. Galbraith (1987: 40) notes that this 'fallacy of composition' is a common error.
2. 'Value' can imply: moral worth, a price and what a thing is. The last two senses are inter-dependent; if there are different definitions of what constitutes an object, establishing its price is impossible (see Alexander 2004: 137–70).
3. See Berglund's (1997) discussion of German activists grouping around environmental issues such as the dumping of hazardous wastes.
4. In 1983, the UN established a commission chaired by Gro Harlem Brundtland, to make recommendations for global change. The commonly cited definition of sustainability in the resulting report, usually known as The Brundtland Report, is: 'meeting the needs of the present generation without compromising the ability of future generations to meet their needs' (World Commission for Environment and Development 1987: 43).
5. 'Society' is often rendered as 'users' and 'stakeholders'. The latter usually represent business interests.
6. Foster (2002: 41 n1) points out that environmental economists practise within a neo-classical framework. Ecological economists, by contrast, following Georgescu-Roegen (1971), emphasise the effects of entropy and the need for core institutions to change.
7. Recognising that lowest cost does not always equate to best value in a wider sense, in the 1990s the British government began to emphasise 'VFM' (Value for Money). Identifying VFM remains a problem.
8. The difficulties described here with introducing market principles into the public sector still hold in 2010.
9. Stephen Viederman (1996) proposed that five capitals and three pillars underlie sustainable development. The capitals are: human, constructed, natural, social and cultural; the pillars are the environment, the economy and community. Much of the literature on sustainability makes reference to the ideas of pillars and capitals, although there is little consistency. What is of interest in this chapter is the separation out of 'economy' from society.
10. SustainAbility Website www.sustainability.com.
11. For example Bourdieu's (1977) discussion of economic, cultural and social capitals, all exchangeable for symbolic capital or power.

12. The typical characteristics of 'economic man' are maximisation of short-term gain, autonomy, free agency and complete knowledge. As Ferber and Nelson (1993) show, there is also an assumption that the person in question is male, albeit of a rather particular type: 'a cross between Rambo and an investment banker' (McCloskey 1993: 79).
13. My thanks to Alan Metcalfe for this observation.
14. Kyoto signatories had to cut greenhouse gas emissions by 5 per cent of 1990 levels. Negotiators set up offset 'mechanisms by which industries in developed nations could cut their emissions indirectly, by investing in programs that reduce, avoid, or sequester CO₂ or other greenhouse gases in some other place. For Kyoto signers, offsetting is largely conducted through the CDM [Clean Development Mechanism], supervised by the United Nations Framework Convention on Climate Change' (Checker 2009: 43).
15. The same process of scalar displacement can be noted in what Sundar Rajan (2006: 143) calls biocapital, where the gene is taken to 'designate or represent the entire organism or ... whole populations'.

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27 Anthropology and development: the uneasy relationship

David Lewis

The relationship between anthropology and development has long been one fraught with difficulty, ever since Bronislaw Malinowski advocated a role for anthropologists as policy advisers to African colonial administrators and Sir Edward Evans-Pritchard urged them instead to do precisely the opposite and distance themselves from the tainted worlds of policy and 'applied' involvement (Grillo 2002). This chapter briefly introduces the concept of development and summarises the history of the relationship between development and anthropologists. Along the way, it considers three main positions which anthropologists have taken and may still take in relation to development. The first, that of antagonistic observer, is one characterised by critical distance and a basic hostility towards both the ideas of development and the motives of those who seek to promote it. The second is one of reluctant participation where institutional financial pressures and livelihood opportunities have led some anthropologists, with varying degrees of enthusiasm, to offer their professional services to policy makers and development organisations. The third is the long-standing tradition of engaged activism, in which anthropologists have attempted to combine their community or agency-level interactions with people at the level of research with involvement with or on behalf of marginalised or poor people in the developing world.

Since the emergence of the term in its current usage after the Second World War, the concept of development went on to become one of the dominant ideas of the twentieth century, embodying a set of aspirations and techniques aimed at bringing about positive change or progress in Africa, Asia, Latin America and other areas of the world. Development brings with it a set of confusing, shifting terminologies and has been prone to rapidly changing fashions. The popular demarcation of 'First World' (Western capitalist), 'Second World' (Soviet, Eastern Bloc and other socialist areas) and 'Third World' (the rest) became common during the Cold War. More recently, the still common distinction between a wealthy developed 'North' and a poor, less-developed 'South' has its origins in the UN-sponsored Brandt Commission report of 1980. The policy language of 'basic needs' in the 1970s has shifted to new paradigms of 'sustainable

development' in the 1990s, alongside more recent attention to 'building civil society' and 'good governance'. The language of development, as well as its practices, has changed over time as the global context has also shifted, indicating a growing sophistication in its understanding of problems of poverty as well as perhaps a lack of confidence in some of the basic assumptions of the 'developers'.

Whatever the terminology that is in vogue (the field is characterised by an ever-shifting landscape of labels, concepts and fashions), the 'development industry' remains a powerful and complex constellation of public and private agencies channelling large amounts of international development assistance, including inter-governmental organisations of the United Nations, multilateral and bilateral donors such as the World Bank or the United States Agency for International Development (USAID), and a vast array of non-governmental organisations (NGOs) ranging from small specialised, grassroots concerns to large transnational organisations such as Oxfam or the Bangladesh Rural Advancement Committee (BRAC). The twenty-first century also saw the landscape of international development populated by increasing numbers of non-traditional aid donors. These include powerful new non-Western bilateral donors such as China, which has provided extensive assistance, particularly to Africa, in recent years (an estimated US\$18 billion in 2007), and new private-sector development philanthropy in the form of agencies such as the Gates Foundation, with an endowment of more than US\$30 billion.¹

Relations between anthropologists and the world of development ideas and practices date from the early days of the discipline during the colonial period and have continued, in various forms, up to the present. Such relationships have encompassed the spheres of research and action, from positions of sympathetic involvement as well as the stances of disengaged critique or even outright hostility. Whatever point of view anthropologists may take about development, the concept of development, itself a diverse and highly contested term, remains one of the central organising and defining systems of our age and will therefore continue to demand anthropological attention.

What is development?

It is conventionally argued that 'development' in its modern sense first came to official prominence when it was used by United States President Harry S. Truman in 1949 as part of the rationale for post-war reconstruction in 'underdeveloped' areas of the world, based on provision of international financial assistance and modern technology transfer. This view has been criticised for failing to acknowledge the continuities between a modern view of 'development' and longer histories of colonial

intervention in non-Western societies (Kothari 2005). Development has subsequently been strongly associated primarily with economic growth. However, there has also been a growing recognition that while the well-being of an economy may form a precondition for development it is not a sufficient one, and that attention too has to be paid to issues such as income and asset redistribution to reduce inequality, support for human rights and social welfare, and the sustainable stewardship of environmental resources. The Human Development Index developed by the United Nations Development Programme at the start of the 1990s has attempted to address such concerns, at least in part, by combining gross domestic product (GDP) per capita, life expectancy and a measure of educational attainment (see Blim chap. 20, *supra*).

However, few words offer as many definitional difficulties as 'development', and it remains a highly contested term. While dictionary definitions focus on the idea of 'a stage of growth or advancement', development remains a complex and ambiguous term which carries with it several layers of meaning. As a verb, it refers to activities required to bring about change or progress, and is often linked strongly to economic growth. As an adjective, it implies a standard against which different rates of progress may be compared, and it therefore takes on a subjective, judgemental element in which societies or communities are sometimes compared and then positioned at different 'stages' of an evolutionary development schema. Indeed, 'development' is often understood in Darwinian terms as a biological metaphor for organic growth and evolution, while in a Durkheimian sense it can be associated with ideas about the increasing social, economic and political complexity in transitions from 'traditional' to 'modern' societies. At the same time, 'development' has also come to be associated with 'planned social change' and the idea of an external intervention by one group in the affairs of another. Often this is in the form of a project, as part of conscious efforts by outsiders to intervene in a less-developed community or country in order to produce positive change. Finally, within radical critiques, 'development' is viewed in terms of an organised system of power and practice which has formed part of the colonial and neo-colonial domination of poorer countries by the West.

The belief in the promotion of progress arose during the period of the Enlightenment, in the eighteenth century in Northern Europe. During this period, the rise of competitive capitalism undermined prevailing relations of feudalism and ushered in a period in Western thought which emphasised rational knowledge, the rise of technology and science and the dichotomies of 'backward' and 'advanced' societies. By the colonial era, it was common for the colonisers to construct themselves as rational agents of progress, while local people were portrayed as childlike or backward.

The introduction of European-style religion, education and administrative systems went hand in hand with the quest for economic gain. By the early twentieth century, the relationship between colonial administration and ideas of planned change had become more explicit, and responsibility for economic development came to be complemented by the incorporation of welfare objectives and responsibility for minimum levels of health, education and nutrition for colonial subjects.

After 1945, in Europe and North America, development was increasingly presented in terms of economic growth and modernity. The benefits of economic growth would 'trickle down' to the poor, while the transfer of new technology would bring material benefits. Modernisation theory, under which these ideas came to be loosely grouped, was exemplified by the approach of US economist W.W. Rostow. He argued that there were a series of stages of development through which traditional, low-income societies moved, ultimately reaching a point of 'take-off', based on financial investment, improved governance and modern technologies, which would eventually set them on a course of self-sustaining growth. Part of this tradition continues today (though without the central position previously envisaged for the state) in the priorities of international agencies such as the International Monetary Fund (IMF) and the World Bank, which favour 'structural adjustment' policies to 'free' markets and reduce the role of government, and the World Trade Organization (WTO), which locates development within the reform of international trade regulations and the freer movement of capital between North and South. Although state-led technology transfer has become a less-favoured development strategy since the 1980s, the technological paradigm of development remains stronger than ever in the bio-technology movement, which still promises technological solutions to development problems in agriculture, such as the nutritionally enhanced 'golden rice' currently being developed by international agribusiness.

A stronger emphasis on historical and political factors was found in the 'dependency' school of development theorists, which brought together radical scholars many from the United Nations Economic Commission of Latin America (ECLA) (see Eades chap. 2, *supra*). The dependency theorists rejected the modernisation paradigm and focused instead on the unequal relationship between North and South in relation to terms of trade, arguing that an active process of 'underdevelopment' had taken place as peripheral economies were integrated into the capitalist system on unequal terms, primarily as providers of cheap raw materials for export to rich industrialised countries. The dependency approach was popularised by the work of A.G. Frank during the 1970s, but became less influential during the 1980s as it came under attack from a number of different

directions. It was criticised for oversimplifying Marx's ideas about the simultaneously destructive and progressive force of capitalism in relation to feudalism, for downplaying the range of strategies deployed by peripheral individuals and groups in resisting and renegotiating their structural position within the global system, and for remaining silent on solutions to problems of poverty and underdevelopment short of outright revolution. Nevertheless, the legacy of dependency theory remains, and elements of its central ideas continue within current critiques of international trade rules, subsidy regimes and supply chains, which are increasingly being taken up by mainstream movements and radical activists alike.

Frustration with the scale of global poverty, exploitation and inequality led some academics and activists to usher in an era of 'post-development' thinking in the 1990s, which advocated a radical rethinking of the assumptions and the goals of development, characterised in this critique as a Western cultural mind-set which imposed homogenising materialist values, idealised rational-scientific power and created unprecedented levels of environmental destruction. Much of this critique was not entirely new, but instead continued Marxist and dependency theorists' concerns with new forms of colonial domination and the damage to diversity caused by cruder versions of modernisation.

Antagonistic observers

Some anthropologists select the ideas, processes and institutions of development as their field of study, but such work has tended to be highly suspicious, if not frankly critical, in its approach. At one level, anthropological work on development has flowed seamlessly from many anthropologists' long-standing concerns with the social and cultural effects of economic change in the less-developed areas of the world. Such work has shown how the incorporation of local communities into wider capitalist relations of production and exchange has profound implications for both. For example, Wilson's (1942) work in Zambia in the late 1930s showed the ways in which industrialisation and urbanisation processes were structured by colonial policies that discouraged permanent settlement and led to social instability, as massive levels of male migration took place back and forth between rural and urban areas. Long's (1977) 'actor-oriented' work in Peru explored local, small-scale processes of growth, entrepreneurialism and diversification in an area for which the dependency theorists might have argued that there would only be stagnation, challenging macro-level structural analyses by focusing on the complexity and dynamism of people's own strategies and struggles. Updating such approaches to understanding social and economic change, Arce and Long (2000) make the case for the role of the anthropologist as furthering

understanding of the 'localised modernities' through ethnographic study of the ways in which dominant development processes are fragmented, reinterpreted and embedded.

A more explicit area of anthropological analysis in relation to development has been research on the performance of development projects, by studying the ways in which such projects operate within and act upon local populations. Here the dominant emphasis has been to understand the reasons why they 'fail', with few studies bothering to examine why some projects 'succeed'.² A classic study of this kind was Barnett's (1977) analysis of the Gezira land-leasing scheme in Sudan introduced by the British in the 1920s, which aimed to control local labour and secure cotton exports. The study found that the paternalistic structure of the intervention led to stagnation and dependency, since there were no incentives for farmers to innovate. Another key theme within anthropological work has been the gendered character of outsiders' understandings of productive relations and intra-household processes. For example, Rogers (1980) set out the patriarchal assumptions brought by development planners to the design and implementation of development interventions, such as the skewed emphasis on the nuclear family structures in contexts where extended families are the norm, or an engagement only with male farmers or household heads to the exclusion of women's roles in production and decision making. Finally, in another influential study, Mamdani (1972) laid bare the gulf which existed between the outsiders' assumptions and local people's priorities, when he analysed the failure of a family-planning project in India. This failure was believed by planners to be the result of people's ignorance of the advantages of smaller families and of family-planning techniques, but Mamdani showed that in reality it was the outcome of strong incentives among the poor to maintain high fertility levels, since large families were given high cultural and economic value.

The focus within these kinds of anthropological studies has mainly been on the so-called 'beneficiaries' of development assistance, and in general there has been rather less anthropological work undertaken on the internal organisation and workings of the aid industry itself. Research on the so-called 'developers' who seek to bring change to local populations, though less plentiful, has nevertheless proved a fertile and instructive field of study when it has been carried out. A recurring theme has been the ways in which encounters between outside officials and local communities are structured by 'top-down' hierarchies of power and authority. For instance, Robertson (1984) examined the relations between local people and bureaucrats and focused particularly on the state, providing an anthropological critique of the theory and practice of planning. The well-known work of Chambers (1983), though not himself an anthropolo-

gist by training, on power and participation in development has also been concerned with relations between people and professionals, and Chambers has gone on to develop this theme and challenge conventional development policy and training assumptions at the levels of both theory and practice.

More recently, a highly influential study by Ferguson (1990), based on fieldwork in Lesotho, drew on Michel Foucault's work on power and discourse to extend and develop the anthropological tradition of the development-project ethnography into new terrain. Ferguson showed how a World Bank project in Lesotho functioned primarily as a system that extends state and development agency power. He argued that the project served as an instrument to depoliticise development issues, transforming social and economic relations into 'technical' problems that could then be 'solved' through bureaucratic intervention. Moving away from the arenas of state and multilateral donors into the non-governmental sector (which has grown to become a major player within development work), Harrison and Crewe (1998) undertook ethnographic work within two international NGOs working in Africa, exploring the ways in which they interpreted problems of poverty and the manner in which they constructed themselves as organisations. Studies such as these provided detailed insights into the workings of development organisations, but made no claim to offer answers or solutions to the still disappointing results being obtained by those in search of development.

Answers of a kind were offered by another influential, but completely hostile, study of the workings of development. Escobar's (1995) study traces the ways in which development as an idea has constructed and framed the concept of the 'Third World' as a location which is defined and acted upon by the West, and he documents and advocates resistance to its onslaught. This book reflected increasing attention among anthropologists to the fact that development exists beyond the configuration of agencies and individuals attempting to implement change, and has become one of the dominant ideas of the post-war era. As such, it constitutes a social phenomenon that affects not just livelihoods and living standards, but also the ways in which we see the world. Escobar's conclusion, in line with the post-development view, is that the idea of development is itself degraded and outmoded and that only the rise of new local, identity-based social movements that directly challenge the orthodoxies of development offer hope for a new paradigm within a 'post-development' future.

Reluctant participants?

In the 1960s and 1970s, the tradition within anthropology that engaged with development and modernisation continued, and some of this work

began to influence development work more widely. For example, Geertz's (1963) research on Indonesian agricultural change began to link anthropological research to practical concerns about technological change and land use. It showed the ways in which adaptation of an increasingly complex and 'involved' system of wetland agricultural production reflected both cultural priorities and material pressures, and was widely read by agricultural economists and policy makers (Gardner and Lewis 1996). But the study of development, in the sense of traditional societies undergoing social and economic transformation, was seen by many other academic anthropologists as only of 'practical' or 'policy' relevance and therefore peripheral to the main theoretical core of the discipline, which many thought should concern itself with the description and analysis of 'societies and cultures as little contaminated by "development" as possible' (Ferguson 1996: 157).

As a result, there have been many anthropologists who have avoided any formal engagement with the topic of development at all. But there have been pressures which have led other anthropologists to participate in development at some level, sometimes due as much to pragmatism as to wholehearted commitment. The long tradition of underfunding of higher education institutions in the UK, which began to become serious during the 1980s, hit anthropology departments particularly hard, especially since there were relatively few options available for academic anthropologists to generate additional funding through consultancy. The relevance of anthropology to the modern world was also increasingly called into question by government and funders. The growth of the multidisciplinary field of development studies as an academic discipline and its subsequent expansion, particularly in the UK, also contributed to a sense of insecurity in some university anthropology departments. Limited opportunities for anthropologists in the business world led, perhaps inevitably, to a growth of anthropological engagement with consultancy assignments for organisations such as the Department for International Development (DFID) and the United Nations. These were sometimes in the form of short-term inputs as consultants or commissioned researchers; other times these were longer assignments or full professional employment as anthropologists working within the expanding fields of 'social development' and project evaluation which opened up within the World Bank, DFID and many NGOs.

This trend was also associated with the rise of radical development theory and the growing politicisation of anthropology itself as a discipline in the 1970s. The shift away from modernisation theory, which many anthropologists had considered crude and ethnocentric, towards critical dependency theory within development studies also attracted the attention

of anthropologists, who began to locate their detailed studies of specific, small groups within wider political-economy contexts. Wolf's (1982) *Europe and the people without history* set out a global, historical political economy which showed how the capitalist world order linked even the most remote communities into its system through processes of economic, technical and cultural incorporation. The trend towards a more critical, politicised anthropology also opened up scope for engagement with development because it made the subject more intellectually interesting and because it gave the academic discipline of anthropology, especially at a time when university-based scholarship was under pressure to demonstrate its relevance, an opportunity to show that it had something to say about the wider world, rather than just about its more conventional 'tribal' concerns (Ferguson 1996: 158).

The period of post-modern reflection which overtook anthropology later in the 1980s also served to refocus anthropological attention on, among other things, the idea of development. In particular, Marcus and Fischer (1986) questioned the tendency of anthropologists to focus on an ahistorical or exotic 'other' and instead argued for a new focus which would integrate the ideas and institutions of the anthropologists' own societies and contexts, emphasising the need to show the ways in which power is acquired and exercised across the dimensions of the local, national and global. Elements of this post-modern anthropological agenda also led back to the study of development, because the development landscape formed an ideal space for the study of a wide range of familiar and less familiar institutions and relationships that linked ideas, individuals and groups at transnational, national and local levels. It also simultaneously opened up fertile ground for anthropologists to reconsider their own roles as actors within the production of knowledge about and practice within development. In doing so, it also began to challenge the validity of any simple distinction between those anthropologists working 'on' and those working 'in' development. While anthropological post-modernism was primarily concerned with debating a more reflexive approach to ethnographic writing, it also contributed new ideas to 'applied anthropology' (see below), by suggesting ways in which anthropological work could create structures for community-level problem analysis and empowerment.

Work such as Escobar's had drawn useful attention to issues of power and inequality and the ways in which 'development' has acted as a system of ideas and policies which have sought to define and control whole areas of the world. But it was also heavily criticised for its tendency to construct a homogeneous vision of the 'development gaze' that is insensitive to the broad range of ideas constituting development thinking and approaches, and to the ways in which people's own ideas of what constitutes 'progress'

overlaps and engages in subtle ways with those of the developers. For example, perhaps in the spirit of involved scepticism, Gardner and Lewis (2000) attempted to show the ways in which the policy discourse within the UK bilateral aid programme changed in relation to the production of a new White Paper in 1997 as the former Overseas Development Administration (ODA) evolved into the DFID, with new emphases and priorities based on changing political agendas and understandings. Not enough research has yet been done by anthropologists on seeking to understand the institutional and organisational field that makes up the world of development ideas and practices, nor on the ways in which people outside the formal boundaries of the development industry share and are shaped by its ideas.

Engaged activists

There have long been anthropologists interested in using their knowledge for practical purposes. The field of applied anthropology, defined as the use of anthropological methods and ideas in practical or policy contexts, has seen anthropologists collaborate with activists, policy makers and professionals within a range of fields, including that of development. From the British colonial administration in Africa to the Office of Indian Affairs in the United States, anthropologists have involved themselves in applied work and contributed research findings to policy makers on issues such as local customs, dispute settlement and land rights. The gradual professionalisation of the development industry from the 1970s onwards led to a growth of opportunities for anthropologists to work within development agencies as staff or consultants, just as anthropologists also took up jobs within fields as diverse as community work and corporate personnel departments. In this role, anthropologists often acted as cultural translators, interpreting local realities for administrators and planners. At the same time, anthropology came to be seen as a tool which potentially provided the means to understand, and therefore to some extent control, people's behaviour, as beneficiaries, employees or customers.

Applied anthropologists have drawn on different aspects of anthropological thinking in the ways they have tried to contribute to development work. First, by stressing an approach which gives equal emphasis to both social and economic aspects of societal change, anthropologists have helped to counter the dominant privileging of the economic in development thinking. They have contributed to a critique of modernism and its predominantly economic view of the world, showing for example that markets are socially embedded institutions and that the economically rational behaviour of neoclassical paradigms is tempered by pragmatism. At the methodological level, applied anthropologists

have taken the open-ended, long-term participant observation tradition and tried to relate fieldwork more tightly and in a time-bound way to a set of focused research questions. An example of this is research in rural north-western Bangladesh by Lewis et al. (1996), concerning an ODA aquaculture project. Through their extensive participant observation, the researchers were able to identify a complex range of hidden (to the planners) intermediaries within local fish production and marketing networks, and their findings contributed to the rethinking of objectives, away from a concern solely with production and towards a greater emphasis on rural poverty reduction. The growth of participatory paradigms in development practices has also drawn extensively on anthropological methodology (see Chambers 1983), albeit with more of an emphasis on 'quick and dirty' fieldwork than many anthropologists would wish for.

Applied anthropologists have also drawn attention to issues of Western bias in the assumptions that inform development initiatives, uncovering areas of cultural difference and highlighting the value of local or 'indigenous' knowledge. The growth of interest in indigenous knowledge has now been a long-standing area of engagement between anthropologists and development practitioners, with its recognition that development interventions should be informed by the systems of knowledge recognised by local people. For example, the rise of 'farming systems research' in the 1970s was informed by field-based anthropological insights into farmers' own complex understandings of their agricultural practices (Collinson 1987). More recently, Loomis (2002) has made an eloquent case, based on his research within Māori communities in New Zealand, that local ideas about resource conservation could form a sounder basis for 'sustainable development' than many of the paradigms and approaches advocated by development agencies, and so should be incorporated more fully into policy. The distinction between indigenous knowledge and Western scientific knowledge has been subsequently criticised within anthropology, since it can set up a somewhat bland and unhelpful dualism between Western-scientific and other systems of knowledge, and may also overlook the fact that Western formal knowledge systems are themselves as embedded culturally as other knowledge systems (Sillitoe 2002).

Applied anthropologists have played several different types of roles, including mediation between communities and outsiders, helping to influence public opinion through journalism or advocacy work, helping to provide assistance directly during a crisis, or working as consultants to development organisations. Consultancy work by applied anthropologists within the NGO and donor communities has expanded considerably in the community development field and covers a variety of sectors and projects, including micro-finance, social forestry, slum improvement, monitoring

and evaluation and training on participatory techniques (Panayiotopolous 2002).

Closely related to the discussion of applied anthropology is the involvement of some anthropologists in more explicitly activist concerns. The emergence of what Tax (1968) termed 'action anthropology', practised within marginalised Native American communities in the United States, attempted to combine applied work and responsibility to members of the community with the search for knowledge. Tax began developing this form of work in the 1940s, and the approach went on to become influential in the US and in parts of Europe as well. The proponents of this branch of applied anthropology became concerned with explicitly political goals informed by moral commitment, as in a situation in which members of a community are subject to an immediate threat such as the construction of a dam. Related to this type of work is the involvement of anthropologists in organisations, such as Cultural Survival, which seek to protect vulnerable communities whose way of life is under threat from developers. As a form of applied anthropology, such efforts may often be informed by a desire to frustrate the efforts of development agencies, in line with the views of many in the post-development school.

The subdiscipline of 'applied' anthropology has, since its emergence in the colonial period, always been controversial within the discipline. After the Second World War there was a reaction in the US against the widespread involvement of anthropologists in the occupation and subsequent administration of overseas territories, and in Britain the process of decolonisation went hand in hand with a critique of the colonial origins of the discipline of anthropology itself. There were also many who saw the application of anthropological knowledge in other societies as a betrayal of the principle of cultural relativism, in which it was seen as unethical for representatives of one culture to try to change relations within another. The status of applied anthropologists within the wider discipline was also a source of tension, with applied departments and academics frequently considered second rate, leading to its marginalisation during the 1960s and 1970s. There was a renewal of such controversy in the 2000s in the context of the wars in Iraq and Afghanistan, over the US military's recruitment of anthropologists to provide insights into local culture and context.

There still remain three broad sets of arguments against applied anthropology, as Schonhuth (2002) has shown from within the German academic context. Within his schema, the 'purists' argue that scholarly endeavour should always be separated from its application. An engineer should be considered an 'applied physicist', and therefore an applied anthropologist is best regarded as a social worker or a politician, with no place in the

formal discipline of anthropology. Schonhuth's second group, the 'innocents', are concerned that development will destroy traditional, fragile cultures before they can be studied, and therefore want nothing to do with it. Finally, the 'ethically correct' adherents to a third position argue against any kind of collusion with the practitioners of development because they simply regard development policy and practice as inherently immoral.

Conclusion

The picture presented in this chapter, of three anthropological positions in relation to development, doubtless involves an element of caricature. However, it does illuminate different aspects of anthropology's complex relationship with development. The three strands rarely exist separately, but are intertwined in complex ways. Individual anthropologists are unlikely to inhabit just one of these positions, but instead may juggle various combinations of them at one time or another. The difficulty of unpacking these relationships, and their overall sensitivity even today, is perhaps best explained by Ferguson (1996: 160), who argues that development can in one sense be understood as anthropology's 'evil twin'. Development is concerned with many of the same geographical areas and communities that have attracted anthropologists, but threatens and challenges many of the assumptions which anthropologists have traditionally held dear, about the value of the traditional, the local and the autonomous. For anthropologists, Ferguson goes on, development therefore carries with it 'a disturbing, inverted resemblance' to their discipline and 'haunts the house of anthropology' like an 'uninvited relative'. To be critical of the very idea of development, he argues, is to invite a complete re-evaluation of the very idea of anthropology itself.

Within the literature, it has become common to make a distinction between 'development anthropologists', working broadly within the agendas of development institutions doing research or advocating for particular policies, and 'anthropologists of development', who work on the subject of development itself, often taking a critical stance which questions its ideas, values and purposes (Grillo and Rew 1985). The intermingling of the three positions outlined here, and the illusory nature of the belief that one can separate anthropological work 'on' and 'in' development, requires us to move beyond such dualism. As Harrison and Crewe (1998) argue, the boundary between development anthropologists and anthropologists of development has come under increasing criticism for its artificiality, since it obscures the positioning of all anthropologists within the dominant organising idea of development.

Long and Lang (1992) highlighted the ways in which anthropological work could also take as its field of study the 'communities' of development

projects and institutions. As Long himself acknowledges, it is necessary to go further than this and show how anthropologists working on development issues, whether in an applied or theoretical level, all do work which necessarily takes place within what Ferguson (1990) terms the dominant 'interpretive grid' of development discourse. After a revival of interest in development by anthropologists during the 1990s, we are perhaps moving into a new period of engagement which goes beyond the applied-theoretical distinction and which seeks to reveal more of the ethnographic detail of the organisational apparatus of development, as well as a deeper analysis of the ways in which the concept of development has come to play a central role in our lives.

These days there are calls for anthropologists to engage more fully in both the practices of development and in new thinking about development. As anthropologists we can be critical observers, but we are also necessarily participants. For example, Sillitoe (2002: 1) writes:

The time has come for anthropology to consolidate its place in development practice, not merely as frustrated post-project critic but as implementing partner. There are growing demands for its skills and insights to further understanding of agricultural, health, community and other issues.

An example of new anthropological thinking on development can be seen in work by Quarles Van Ufford et al. (2003) and by Mosse (2005), who argue that anthropological perspectives can illuminate a set of important disjunctures in the constellation of ideas and practices that constitute development. Development, they argue, has been variously characterised as 'hope', in that it carries with it ideas about shaping a better future; as 'administration', in that since the 1950s it has amassed a constellation of agencies and technologies designed to produce it; and finally as 'critical understanding', in the sense that it forms a site of knowledge about the world. Disjunctures are also present in the ways in which development ideas and practices are variously located within governmental, non-governmental and market-institutional forms, as they are in the tension between modes of action and of reflection, and in the senses of past and present that pervade development debates. In an era in which development agencies have replaced the goals and aspirations of development with the focus on results and 'manageability', which are characteristic of high modernism, the authors make the plea for a new, morally informed development as 'global responsibility'.

Anthropology has managed to influence development practice in many ways, from the recruitment of anthropologist 'social development advisers' within DFID to the growth of participatory practices among NGOs and others. The merit or otherwise of such influence will continue to be

debated, but anthropological contributions increasingly take the form not just of what anthropologists do within development agencies and processes but also what they say about development. A new anthropology of development is arguably beginning to subject the ideas, institutions and practices of development to the kind of nuanced ethnographic scrutiny that has until recently been primarily reserved for more traditional anthropological subject matter, or else lost within the simplistic 'for' or 'against' dichotomies that many earlier anthropologists have tended to reserve for their dealings with the problematic subject of development (Mosse and Lewis 2006; Venkatesan and Yarrow 2011). In order to help build this new vision, more anthropological work is needed, to provide insights into the 'black box' of development intervention, to challenge the growing managerialism which obscures development histories and to offset tendencies towards social engineering implied by recent World Development Reports and the growth of a new 'bottom line' in the form of the Millennium Development Goals.

Notes

1. The overall scale of international development aid is difficult to quantify. Aid flows from rich Western countries to the global South are around US\$150 billion annually, with about one-third going to Africa. Since the attacks on the United States in 2001, aid has become more closely linked to security issues, while the volume of private giving has been increased by media reporting of events such as the Asian tsunami (de Haan 2009).
2. Recent work by Mosse (2005) challenges this instrumentalist view of projects and development policy by analysing the ways in which a wide range of interests and coalitions in practice negotiate the labelling of 'success' or 'failure' along political lines.

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28 The informal economy in comparative perspective

Martha Alter Chen

It was widely assumed during the 1950s and 1960s that, with the right mix of economic policies and resources, poor, traditional economies could be transformed into dynamic, modern economies. In the process, the traditional sector comprised petty traders, small producers and a range of casual jobs would be absorbed into the modern capitalist economy, the formal economy, and, thereby, disappear. This assumption was reinforced by the successful rebuilding of Europe and Japan, and the industrial expansion in Europe and North America in the decades following the Second World War. By the middle of the 1960s, however, the optimism about the prospects for economic growth in developing countries began to give way to concerns about persistent, widespread unemployment. Reflecting this concern, the International Labour Organization (ILO) mounted a series of large, multi-disciplinary 'employment missions' to various developing countries.

The first ILO mission was to Kenya in 1972. In their official report, the mission team described what they had found in their fieldwork, that the traditional sector had not just persisted, but had expanded to include profitable and efficient enterprises as well as marginal activities (ILO 1972). To highlight this, the mission chose to use the phrase 'informal sector', rather than 'traditional sector', for the range of small-scale and unregistered economic activities. This phrase had been introduced the year before by a British anthropologist, Keith Hart, arising from his 1971 study of economic activities among rural migrants in Accra, Ghana (see Hart 1973).

Although both Hart and the Kenya mission noted the efficiency, creativity and resilience of the informal sector, the concept got a mixed reception in development circles. Many observers held that the informal sector in developing countries was marginal or peripheral and not linked to the formal sector or to modern capitalist development, and that it would disappear once these countries achieved sufficient levels of economic growth or modern industrial development. Other observers argued that industrial development might take a different pattern in developing countries than it had in developed countries, including the expansion of informal economic activities.

By the 1980s, the terms of the debate about the informal sector expanded to include changes that were occurring in advanced capitalist economies, where production was being reorganised into small, decentralised and more-flexible economic units. Mass production was giving way to 'flexible specialisation' or, in some cases, reverting to sweatshop production (Piore and Sabel 1984). These changes were (and are still) associated with the informalisation of employment. Standard jobs were being turned into non-standard or atypical jobs, with hourly wages and few benefits or on piece rate with no benefits; production was being contracted to small, informal units and industrial outworkers. In the process, the informal economy became a permanent, albeit subordinate and dependent, feature of capitalist development (Portes et al. 1989).

Meanwhile, the Latin American economic crisis in the 1980s highlighted another feature of the informal sector, that employment in the informal sector tends to grow during periods of economic crisis (Tokman 1972). This was repeated in the Asian economic crisis of the 1990s, when millions of people who lost formal jobs tried to find jobs or create work in the informal economy (Lee 1998). Meanwhile, structural adjustment in Africa and economic transition in the former Soviet Union and in Central and Eastern Europe also were associated with an expansion of employment in the informal economy. Why does employment in the informal economy tend to expand during periods of economic instability or uncertainty? When enterprises shrink or shut, the workers who are laid off may find that the informal economy is the only alternative to being unemployed. As well, in such times high inflation often means that households need to supplement formal-sector incomes with informal earnings.

During the 1990s, globalisation of the economy contributed to the informalisation of the workforce in many industries and countries (Standing 1999). Whereas globalisation can generate new jobs and open new markets, many of the jobs are unattractive and many of the new markets are inaccessible to disadvantaged producers. This is because, in response to global competition, formal firms tend to hire most workers under informal arrangements or to contract the production of goods and services to other countries (Rodrik 1997), and because global integration reduces the competitiveness of many informal firms or self-employed producers vis-à-vis imported goods in domestic markets and vis-à-vis larger, more formal firms in export markets.

At present, there is renewed interest in the informal economy worldwide. In part, this stems from the fact that, contrary to the predictions of many economists, the sector has not only grown, but also emerged in new guises and in unexpected places. It represents a significant, but largely overlooked, share of the global economy and workforce, a fact that has

become more apparent in the recent global downturn (Horn 2009). That renewed interest also stems from the recognition of the links among informality, growth, poverty and inequality. There is increased recognition that the informal economy is linked to the formal economy and contributes to the overall economy, and that supporting the working poor in the informal economy is important for reducing poverty and inequality, just as supporting the female working poor in the informal economy is important for reducing gender inequality.

For many decades, starting long before these activities or workers were first called 'informal' (Smith 1989), economic anthropologists have studied the ordinary informal economic activities of the working poor in both rural and urban settings. Now, the informal economy is a field of study in its own right, involving those from other disciplines, such as economics, industrial relations, gender studies, political science, sociology and urban planning. Much of the recent scholarship focuses on the size and composition of the informal economy, what drives or causes informality, what are the consequences of informality in terms of welfare or productivity, and the linkages among informality and formality, growth, poverty and inequality. This resurgence of interest in the informal economy has generated significant rethinking of the concept and improvement in official measurement of the phenomenon. This chapter seeks to summarise that rethinking from an inter-disciplinary perspective. It also presents recent official data on the size and significance of the informal economy.

The chapter is in three sections. The first provides a brief historical overview of the concept of and debates about the informal sector, including the expanded concept of informal employment. The second presents recent data on informal employment in developing countries. The chapter concludes with some thoughts on key unanswered questions for economic anthropologists and scholars from other disciplines to address.

The informal economy: evolution of a concept

Street vendors in Mexico City, push-cart vendors in New York City, rickshaw pullers in Calcutta, jitney drivers in Manila, garbage collectors in Bogotá, roadside barbers in Durban – these and others who work on the streets or in the open are the most visible informal workers. Other informal workers are engaged in small shops and workshops that repair bicycles and motorcycles; recycle scrap metal; make furniture and metal parts; tan leather and stitch shoes; weave, dye, and print cloth; polish gems; make and embroider garments; sort and sell cloth, paper and metal waste; and more. The least visible informal workers, the majority of them women, work from home. Home-based workers are to be found around the world, including garment workers in Toronto, embroiderers on the

island of Madeira, shoemakers in Madrid and assemblers of electronic parts in Leeds. Other categories of work that tend to be informal in both developed and developing countries include casual workers in restaurants and hotels, subcontracted janitors and security guards, day labourers in construction and agriculture and piece-rate workers in sweatshops.

Economic anthropologists have long studied the informal activities of the working poor, especially the self-employed, in both rural and urban settings. However, the full range of informal activities includes more modern forms, such as temporary office help and off-site data processors and computer experts, as well as those involved in criminal activities. Across this range, the causes and consequences of operating informally vary tremendously. All those who work informally are, however, seen to have one thing in common: they operate outside the reach of state enumeration, regulation and protection.

Historical debates

Since its discovery early in the 1970s, the informal economy and its role in economic development have been hotly debated. Some observers view the informal economy in positive terms, as a pool of entrepreneurial talent or a cushion during economic crises. Others view it more problematically, arguing that informal entrepreneurs deliberately avoid registration and taxation. Still others see the informal economy as a source of livelihood for the working poor.

Underlying these varying perspectives are four schools of thought regarding the informal economy in developing countries:

1. The *dualist* school sees the informal sector of the economy as composed of marginal activities, as distinct from and not related to the formal sector and as providing income for the poor and a safety net in times of crisis (for example, Hart 1973; ILO 1972; Sethuraman 1976; Tokman 1978).
2. The *structuralist* school sees the informal economy as subordinated economic units (micro-enterprises) and workers that serve to reduce input and labour costs of large capitalist firms and, thereby, increase their competitiveness (for example, Castells and Portes 1989; Moser 1978).
3. The *legalist* school sees the informal sector as composed of plucky micro-entrepreneurs who choose to operate informally in order to avoid the unnecessary and burdensome costs, time and effort of formal registration and who need legal rights to convert their assets into formal property (especially de Soto 1989, 2000).
4. The *voluntarist* school sees the informal sector as composed of micro-

entrepreneurs who choose to operate informally in order to avoid taxation, commercial regulations, electricity and rental fees, and other costs of operating formally (for example, Maloney 2004). Unlike the legalists, who blame informality on the legal and regulatory environment, voluntarists focus their attention on the behaviour of informal operators, who, they argue, chose to operate informally after weighing the costs and benefits of operating formally or informally.

In yet another approach, often focused on transitional and developed countries, the informal sector is seen as activity that is illegal, or is hidden or underground. The System of National Accounts (United Nations 1993) defines illegal production as production activities that are forbidden by law or that become illegal when carried out by unauthorised producers; and underground production as production activities that are legal when performed in compliance with regulations, but that are deliberately concealed from authorities. Any type of production unit (formal-sector enterprise, informal-sector enterprise or household) can be engaged in any type of activity: legal but not underground; legal and underground; illegal. Nevertheless, it is widely known that most informal-sector activities in developing and transitional countries are not underground or illegal, but instead are a survival strategy for the people involved in them and their households and, therefore, can be captured in surveys of the informal sector in these countries (Husmanns 2004).

Although interest in the informal economy has waxed and waned since its discovery in Africa in the early 1970s, the concept has continued to be useful to many policy makers, activists and researchers. This is because of the significance of the reality that it seeks to capture, the large share of the global workforce and production that remains outside the world of full-time, stable and protected employment.

New term and expanded definition

The renewed interest in the informal economy has been accompanied by significant rethinking of the concept. In recent years, the ILO, the international Expert Group on Informal Sector Statistics (called the Delhi Group), and the global action–research–policy network Women in Informal Employment: Globalizing and Organizing (WIEGO) have worked together to broaden the concept and definition to incorporate certain types of informal employment that had not been included in earlier concepts and definitions. They sought to include the whole of work-related informality, as it is manifested in industrialised, transitional and developing economies, and in the dynamics in labour markets, particularly the employment arrangements of the working poor.

In brief, the expanded definition focuses on the nature of employment, in addition to the characteristics of enterprises, and includes all types of informal employment, both inside and outside informal enterprises. This expanded definition was endorsed by the International Labour Conference (ILC) in 2002 and the International Conference of Labour Statisticians (ICLS) in 2003. In 1993, the ICLS had adopted a statistical definition of the 'informal sector' to refer to employment and production that take place in small enterprises that are unincorporated or unregistered. In 2003, the ICLS broadened that definition to include informal employment outside informal enterprises: statisticians refer to this expanded notion as 'informal employment'.

Informal employment, so defined, is a large and heterogeneous category. For purposes of analysis and policy making, it is useful to subdivide it into two, more homogeneous categories according to status in employment.¹ The first is informal self-employment. This includes employers in informal enterprises, own-account workers in informal enterprises, contributing family workers in informal and formal enterprises and members of informal producers' cooperatives.²

The second category is informal wage employment. This includes employees without formal contracts, social protection or other employment benefits who are employed by formal or informal enterprises or are employed by households as paid domestic workers. Depending on the scope of labour regulations and the extent to which they are enforced and complied with, informal jobs can exist in almost any type of wage employment. However, certain types of wage work are more likely than others to be informal. These include employees of informal enterprises, casual or day labourers, temporary or part-time workers, paid domestic workers, contract workers, unregistered or undeclared workers and industrial outworkers (also called homeworkers).

Employment-centred perspective

This expanded definition extends the focus from enterprises that are not legally regulated to include employment relationships that are not legally regulated or socially protected. It also serves to focus attention on workers who are informally employed, a category used here in the broad sense to include wage workers, small producers, service providers and traders. This employment-centred focus has been accompanied by significant rethinking of the composition, causes and consequences of informal employment.

Composition The informal economy is widely recognised to include a range of self-employed people who mainly work in small and unincorporated or unregistered (that is, informal) enterprises. The employment

focus serves to highlight that these include (a) a more entrepreneurial class of employers who invest their own capital in running informal enterprises and who hire others, (b) own-account workers who do not hire others and who contribute both their own capital and labour to the enterprise (both single-person operators and the heads of a family business or farm) and (c) family workers (in family businesses or farms) who contribute their own labour and may or may not contribute their own capital.

In addition, the employment focus serves to highlight that the informal workforce also includes two sorts of paid workers. One is a wide range of wage workers, such as employees in informal enterprises, casual day-labourers in construction and agriculture, and temporary, part-time and contract workers without employment-based social protection or other benefits. The other is workers who are neither fully-dependent wage workers nor fully-independent self-employed persons. These include disguised wage workers, such as industrial outworkers who work for a piece rate but are responsible for all non-wage costs of production, and dependent contractors, such as commission agents who sell goods on commission for others or taxi- and truck-drivers who rent vehicles from a company that determines their working hours and routes.

Causes There are different theories of what gives rise to informality. Many economists subscribe to the notion that informal entrepreneurs choose, or volunteer, to work informally (Maloney 2004). However, many also recognise that informal employment tends to expand during economic crises or downturns, suggesting that necessity also drives informality. Other observers point out that informalisation of employment relations is a feature of contemporary economic growth and the global economy.

An employment focus helps to deepen our understanding of what gives rise to informal employment under different circumstances. For instance, some of the self-employed choose, or volunteer, to work informally in order to avoid registration and taxation, while others do not choose to work informally but do so out of necessity or tradition. Also, many of the self-employed would welcome efforts to reduce barriers to registration and related transaction costs, especially if they were to receive the benefits of formalisation. Further, much of the recent rise in informal wage employment is due to a combination of the decline in formal wage employment as a share of total employment and the informalisation of previously formal employment relationships. Finally, formal employment relationships get informalised when employers choose to (a) retain a small, core, regular workforce and hire other workers on an informal basis, (b) avoid payroll taxes and employer's contributions to social security or pensions and (c) avoid other obligations as employers. In many such cases, it is the employers, not the

workers, who are avoiding regulation and taxation. In some such cases, payroll taxes and social security contributions are avoided by mutual consent of the employer and employee, as when employees prefer to receive a higher take-home pay and when social-security systems are managed so poorly that workers do not consider contributions as being worthwhile.

Consequences Poverty and other outcomes of work are a function not only of the level of earnings, but also of the period over which earnings are sustained and the arrangements through which they are achieved, including related costs and benefits. Three dimensions of work are instrumental in determining the social outcomes of work: place of work, production system and employment status. Each place of work is associated with specific risks and, thus, different degrees of security or insecurity. Micro-entrepreneurs and wage workers tend to lose market knowledge and bargaining power as they move from traditional to industrial to global systems of production. As well, each employment status is associated with different degrees of autonomy and risk for those who work in them (see Chen et al. 2005: chap. 4).

While informal work may offer opportunities and benefits, such as flexibility of hours and convenience of location, the costs are often high. Some of these are 'out-of-pocket' direct expenses needed to run an informal business or otherwise work informally; others are indirect, reflecting the more general conditions under which the working poor live and work. Some of these can be rather high over the long term, such as when workers have to sacrifice access to health care, old-age pensions and education or training for themselves or family members. Also, there are psychological and emotional costs in terms of a worker's self-esteem and dignity associated with many forms of informal work (these are considered in Chen et al. 2005: chap. 4).

In brief, the benefits of informal employment are often not sufficient and the costs are often too high for those who work informally to achieve an adequate standard of living. It is also important to note, however, that not all informal workers are poor and that not all of the working poor are engaged in the informal economy. Likewise, some informal operators, especially those who hire others, are not poor and some formal wage workers are poor.

Informal employment in developing countries

*Size and significance*³

Informal employment is particularly important in developing countries, where it comprises one-half to three-quarters of non-agricultural employ-

ment: specifically, 48 per cent in Northern Africa, 51 per cent in Latin America, 65 per cent in Asia and 72 per cent in Sub-Saharan Africa, rising to 78 per cent if South Africa is excluded. If comparable data were available for countries in South Asia other than India, the regional average for Asia would likely be much higher. If informal employment in agriculture is included, as is done in some countries, the proportion of informal employment greatly increases: from 83 per cent of non-agricultural employment to 93 per cent of total employment in India, from 55 to 62 per cent in Mexico and from 28 to 34 per cent in South Africa.

For women generally throughout the developing world, informal employment is a larger source of employment than is formal employment, and is a larger source of employment than it is for men. Other than in northern Africa, where 43 per cent of female workers are in informal employment, 60 per cent or more of female workers outside of agriculture are in informal employment. In sub-Saharan Africa, 84 per cent of female workers outside of agriculture are informally employed, compared to 63 per cent of males; and in Latin America the figures are 58 per cent of females and 48 per cent of males. In Asia, the proportion is 65 per cent for both.

Composition and segmentation

Since most of the agricultural workforce in developing countries is informal, it is important to bear in mind the basic distinctions between agricultural and non-agricultural, as well as rural and urban, informal employment. Cutting across these basic divides, informal employment is further segmented by employment status.

In developing countries, self-employment comprises a greater share of informal employment outside of agriculture than does wage employment, ranging from 60 to 70 per cent depending on the region. In most countries for which data are available, women (as well as men) in informal employment are more likely to be in self-employment than in wage employment. In northern Africa, Asia and at least half of the countries of Sub-Saharan Africa and Latin America, more women in informal employment outside agriculture are in self-employment than in wage employment. By contrast, informal wage employment is more important for women in Kenya, South Africa and four countries in Latin America: Brazil, Chile, Colombia and Costa Rica. In these countries more than half of women in informal employment are wage workers. Moreover, in all but South Africa, women are more likely to be informal wage workers than are men. In explaining these patterns, it is important to recognise that paid domestic work is an important category of informal employment for women in all Latin American countries (Tokman 2010), as well as in South Africa.

The informal economy is, however, more highly segmented than the simple dichotomy of wage employment versus self-employment would suggest. Especially in developing countries, the main segments of informal employment, classified by employment status, are as follows:

- *employers*: owner-operators of informal enterprises who hire others;
- *employees*: unprotected employees with a known employer: an informal enterprise, a formal enterprise, a contracting agency or a household;
- *own-account workers*: owner-operators of single-person units or family businesses or farms who do not hire others on a continuous basis;
- *casual labourers*: wage workers with no fixed employer who sell their labour on a daily or seasonal basis;
- *industrial outworkers*: subcontracted workers who produce from their homes or a small workshop; and
- *contributing family workers*: family workers who work in family businesses or farms without pay.

A set of five country studies commissioned by UNIFEM (the United Nations Entity for Gender Equality and the Empowerment of Women) found that, with respect to non-agricultural, informal employment, women are more likely than men to work as own-account workers, domestic workers, and contributing family workers, while men are more likely to work as employers and wage workers (Chen et al. 2005). Further, average earnings tend to be higher and poverty risk tends to be lower for informal employers and (even) informal employees than for informal own-account workers, casual day-labourers and, especially, industrial outworkers.

Key unanswered questions

The recent resurgence of research on the informal economy and the rethinking that has come with it has somewhat eased the stand-off between the different ideological positions on the informal economy: between those who see the informal economy as constrained by bureaucracy and caused by individual response to bureaucratic and other costs (the legalists and voluntarists); exploited and caused by capitalist interests (the structuralists); autonomous from or excluded by the state and the private sector (the dualists). This is because researchers recently have begun to disaggregate the informal economy into distinct categories that have different causes and consequences, as well as different links with the formal economy and the regulatory environment.

In a recent publication on Latin America, the World Bank draws a

distinction between labour, micro-firms and formal firms, and between those who are in the informal economy due to 'exit' (that is, by individual choice) or to 'exclusion' (by the state) (Perry et al. 2007). It further differentiates those who choose to exit the formal economy by whether they do so opportunistically, defensively or passively. Along similar lines, WIEGO posits a segmented model of the informal economy by status of employment that includes employers, employees, own-account workers, casual day-labourers, industrial outworkers and contributing family workers. It concludes that all four dominant theories of what constitutes and causes the informal economy are right, but only partially: each theory helps explain one or another segment of the informal economy, but not the whole (Chen et al. 2005).

For policy purposes, this heterogeneity of informality means that there can and should be no single, uniform, overarching approach to the informal economy. This leaves policy makers with the need to know, in a particular country or context, which components of the informal economy are better or worse for individuals and for society, as well as the relative size of the different components of the informal economy.

However, getting empirical estimates of the different components or segments of the informal workforce, much less an in-depth understanding, is not easy. In collecting labour-force data, national statistical services differentiate the economically active by statuses of employment that are defined in terms of relative economic risk and control or autonomy and, thus, that say something about economic relationships. The WIEGO network has estimated the relative size of different statuses of employment within the informal workforce in a number of developing countries (Chen et al. 2005). However, it is difficult to assess whether people are in informal work because they are excluded by the formal economy or chose to exit it opportunistically or defensively: at best, proxy measures will need to be developed for differentiating between these categories. Moreover, because this differentiation refers to types of work, other concepts and measures will be needed to distinguish among different types of informal enterprises and activities.

To be effective, policy makers need to better understand the links between informality, growth and poverty, and the links between the informal economy, the formal economy and the formal regulatory environment. Gaining this kind of understanding is complicated by the heterogeneity of the informal economy. More in-depth institutional case studies of these linkages for different components of the informal economy are needed. How much, and in what ways, are different types of informal operators and units constrained by the bureaucracy and formal firms? What are the backward and forward linkages among different types of

informal and formal firms? Are some informal units and operators truly autonomous? If so, do they want to link with formal firms and the formal regulatory environment; and if they want to, are they able to? To promote social, economic and political inclusion, policy makers need to understand the links between informality and different types of social, economic and political exclusion and disadvantage.

Most fundamentally, policy makers need to understand the trajectory of the informal economy in different countries and sectors. Is it here to stay, and in what forms, in the medium and long terms? What does this mean for the applicability of models of industrialisation, capitalist growth and urban planning developed in the global North? Should alternative models be developed that take account of informality? Should all cities in the global South aspire to look like London or New York, or should people develop alternative models of hybrid cities that include informal livelihoods?

To address these questions, there is a role for all the social science disciplines and their respective theoretical and methodological approaches. Arguably, there is a special need for economic anthropology, given its long history of, and distinctive approach to, the study and analysis of economic life. Much of the recent research on the informal economy has not involved extended fieldwork or a focus on the substance of informal activities. As well, it has examined how informal activities affect and are affected by markets and economic policies, but not how informal activities affect and are affected by other areas of life. Also, most of that research has focused on formal-economy institutions and policies, with relatively little attention to informal institutions and norms. So, clearly, there is a need for economic anthropologists to help fill these gaps and correct these biases.

However, a bridge will need to be built between economic anthropologists and economic planners, many of whom are economists. This is because economic anthropologists, like all anthropologists, tend to particularise and complicate analysis, to focus on the substance of economic activity and to situate that activity within larger social-cultural practices, while economic planners, like economists, tend to generalise and simplify analysis, to focus on the mental calculus of those who make economic decisions and to situate economic activity within markets and economic institutions (see the Introduction to this volume; Ortiz chap. 4, *supra*). Both perspectives and approaches are needed to understand the many forms and patterns of informality in the global economy.

Notes

1. Status in employment is used to delineate two key aspects of labour contractual arrangements: the allocation of authority over the work process and the outcome of the work done; and the allocation of economic risks involved (ILO 2002).

2. The guidelines also include production for own final use (that is, subsistence production) as informal. In countries where this is not considered an important category, it is not included in employment statistics.
3. Unless otherwise noted, the figures presented in this section are estimates based on available data for a limited number of countries compiled by Jacques Charmes and presented in ILO (2002). The ILO and the WIEGO network are currently analysing more recent official statistics for an update of ILO (2002), to be published in 2012.

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PART VI

REGIONS

I said in the Introduction that economic anthropology, like the discipline as a whole, tends to be fragmented into sets of scholars working on different regions of the world. The relatively brief chapters in this part present the main themes that are important in selected ethnographic regions, and comparing them shows how much divergence in interest exists within the subdiscipline. These being relatively short chapters, they are not intended as thorough overviews of work in the different regions. Rather, they are offered as introductions to the central topics and writings in each, which should help provide a foundation for those interested in reading more deeply in regional literature.

29 South America

Terry Roopnaraine

High up the Igarapé Onça two young men with their two young wives, each with two children hardly more than toddlers, had settled by themselves well away from the large villages. Each man had married the other's sister. They lived in one oblong earth-floored house, a separate hearth at each end. I arrived to visit and hung my hammock with the man I knew better. In the morning both men went to hunt. Both got a single peccary. Both hearths cooked up a stew. Our end had its meal ready first, and as we began to eat a child from this end was sent with a calabash of stew to the other end. This was deposited in the pot cooking at that hearth. Later, as we at our end lolled in our hammocks, a child came from the other end with a calabash of their stew which was taken by the woman at this end and put into her pot. Nothing was said. The exchange wasn't, of course, an 'economic' act which distributed scarce resources. It was a moral act, expressing the obligations of the relationship the people were in. (Campbell 1995: 144)

The economic anthropology of South America is ethnographically and theoretically diverse, so it will be useful to begin by specifying the geographical reach of this chapter. Here, for the sake of both space and breadth of available material, I shall concentrate on continental South America, and not engage with the economic anthropology which has emerged from research in Central America, Mexico and the Caribbean.¹ And while acknowledging the implicit and explicit linkages between local, national and global economies, I will also focus the discussion on comparatively micro-level economic processes. Finally, I note that the sources referred to here are largely those which are either published in or translated into English: there also exists a substantial literature in Spanish, Portuguese and French, as well as smaller selections of German and Dutch works.

The economic anthropology of South America covers a broad range of societies, including indigenous populations as well as the numerous ethnicities produced by the Conquest and subsequent actions such as the invention and nurture of the Atlantic slave trade.² The region's ethnography is delineated in many possible ways, only one of which is by ethnicity; worth noting too are important occupational categories such as *caboclos*, 'extractivists' such as rubber-tappers, loggers, wild-animal trappers, fishermen, miners of gold and other valuable substances; ranchers, *campesinos*, agricultural peasantries, narco-workers and, more recently,

labourers in transnational manufacturing industries.³ Because most South Americans now live in cities, there is also a notable overlap between urban and economic anthropology on the continent. The indigenous societies of continental South America are usually divided by anthropologists into three very broad population areas: Lowland Amazonian groups, who live in the forested basins of the Amazon and Orinoco rivers and their respective tributaries; Andean groups, living in the Andean highlands; and people of the *montaña* region, which lies between Amazonia and the Andes. These categories are in effect topographical ones, a fact which gives some indication of the primary social, cultural and economic importance assigned to the nature of land by non-urban South American peoples and the anthropologists who work with them.

Within the economic anthropology of South America, various distinctions exist at the theoretical and thematic levels. In this survey, I shall construct a kind of typological framework around the published material. I shall begin by setting up a series of contrasting pairs which, while not completely homologous, none the less overlap considerably and together constitute a useful schema for thinking about the *modelling* of relations of production, exchange and consumption in South America. That is to say, they are helpful in thematically organising the work which has been done on economic anthropology in South America, but are not a reasonable way of 'categorising' cultures.⁴ While I recognise the risks of reification in such an approach, I think the explanatory benefits are considerable; none the less, I ask the reader to bear in mind that these are no more than *general patterns to help in reading the economic anthropology of South America*.

We can sort these pairs into two roughly complementary groups, an approach recognisable to readers already familiar with the anthropology of South America. In addition to these two sets, we shall need a third 'in-between' group, which reflects the considerable body of work dealing explicitly with the articulation of very different economic idioms. Remembering that not every ethnography will embody one entire set of themes or the other, these groups might look something like those in Table 29.1.

Interpreting contrast and complementarity

I shall now work through the table and expand on some of the points raised by it, remembering that these are simply thematic and theoretical characteristics to help organise our thinking about different models of society and economy found in the economic anthropology of South America. I shall begin by working down through the complementary pairs in each row.

Table 29.1 *Modelling economic activities in South America*

Production mainly for use	Production mainly for exchange
Gift idiom dominant	Commodity idiom dominant
Socially embedded economic relations	Socially atomised economic relations
Generalised or balanced reciprocity	Balanced or negative reciprocity
Subjects control means of production	Subjects sell labour
Less industrialised populations	More industrialised populations
Symbolic ecology, cultural ecology	Informal economy, political economy
Articulation of radically different social, cultural and economic idioms	
'People in-between' or in transition between different economic idioms	

'Production mainly for use versus production mainly for exchange' refers to the destination of economic goods: have they been produced primarily for individual, household or community use, or have they been produced expressly for sale or barter to other transactors? This distinction in turn becomes a model in itself, contrasting 'use-value' production with 'exchange-value' production systems (see, for example, Taussig 1980: 126–39). It is *almost* congruent with the dichotomy 'gift idiom dominant versus commodity idiom dominant', which makes an analogous contrast between the two classic 'ideal types' of exchange. In the quotation at the start of this chapter, writing about the Tupi-Guaraní Wayapí of north-eastern Amazonia, Alan Campbell makes precisely this distinction, stressing the gift morality, as opposed to the commoditised nature of the transaction he describes. 'Socially embedded economic relations versus socially atomised economic relations' is another dichotomy with strong links to the preceding pairs; in this case, however, the focus is not production or exchange, but is the kind of relationship that exists between transactors. Again, this contrast is made in Campbell's peccary stew example, when he flags 'the obligations of the relationship people were in' and links these to the moral character of the exchange.

'Generalised or balanced reciprocity versus balanced or negative reciprocity' is a complementary set first elaborated by Marshall Sahlins as part of an overall distribution schema. In this schema, 'generalised reciprocity' refers to economic behaviour such as sharing, pooling resources, and instances of giving in which the obligation to reciprocate is weak or non-existent (Sahlins 1972: 193–4). Pooling and sharing are common features of Lowland Amazonian consumption patterns (see, for example, the discussion of communal meals among the Panare of Venezuela, in Henley 1982: 74–7). 'Balanced reciprocity' is used to characterise transactions in which imbalance is not tolerated beyond a given time limit (Sahlins 1972:

194–5). This broad category is in fact a spectrum which includes commodity exchange at one end, and interestingly, instances of gift exchange which demand reciprocity within a mutually understood timeframe at the other. For this reason, I include it on both sides of the table. ‘Negative reciprocity’ (Sahlins 1972: 195–6) refers to systems in which transactors attempt to get something for nothing, or for as little as possible. Sahlins includes both theft and barter in this category; in the particular case of South American ethnography, it would be an appropriate way of theorising debt peonage, slavery and other forms of coerced labour.

Debt peonage is a notorious form of coerced labour which dominated the South American rubber trade until well into the twentieth century (Taussig 1987). Although the natural rubber industry has now collapsed, debt peonage continues in other South American industries, especially those located in the remoter forest regions, beyond the reach of any kind of surveillance (Hugh-Jones 1992: 42–74). It is essentially a system in which labourers, most typically indigenous or impoverished rural people, are advanced commodities on credit against a promise of future supply of goods desired by a *patrón*. However, when the goods are supplied, the debt is not actually cancelled; other charges are added, such as usurious interest or exorbitant food, lodging or transportation bills. For the *patrón*, the aim is to ensure that the debt is never paid off, thus securing an unending supply of cheap labour; for the victim, it is a difficult system to escape once entrapped, not least because of the very real threat of physical violence. Michael Taussig theorises debt peonage in an innovative manner. Central to his analysis is the idea of the *fetishised debt*. This is a concept based on Karl Marx’s notion of commodity fetishism, in which commodities take on animate qualities, while effectively de-animating the people who produce them. For Marx, the exploitation of labour is concealed in this discourse because the relations of production cease to be human relations and become naturalised market relations. Taussig’s notion of debt fetishism is analogous: debts become animated and people literally *become* debts (Taussig 1987: 69–70). This, he argues, is a central element to the self-sustaining nature of debt peonage.

The contrast between models in which ‘subjects control means of production’ and systems in which ‘subjects sell their labour’ is a fundamental one with origins firmly in Marxian theories of the political economy (see below; see Robotham chap. 3, *supra*). It foregrounds the degree of control, or alienation, which people experience in their roles as producers of economic goods. Once again, I stress the general congruence with the other pairs listed here, especially with the first, ‘production mainly for use versus production mainly for exchange’. The pair ‘less industrialised populations versus more industrialised populations’ moves the focus

once again, this time to the degree of industrialisation of peoples under study. 'Industrialisation' is used here as a blanket term covering a range of technological and other markers, including, for example, the degree of monetisation. An excellent example of the economic anthropology of a South American industrial proletariat is June Nash's (1993 [1979]) study of Bolivian tin miners, *We eat the mines and the mines eat us*. In this classic ethnography, Nash analyses the social and economic transformations wrought upon Quechua and Aymara Amerindians by industrial tin mining from a Marxian perspective.

The final row in the upper part of the table refers to some key distinctions which operate at the theoretical level. 'Symbolic ecology, cultural ecology' are contrasted to 'informal economy, political economy'. The point of contrast here is mainly concerned with the place of culture: in symbolic and cultural ecology approaches, culture plays a central role as either meaning system or adaptive epiphenomenon. It plays a much smaller role in studies of the informal economy and political economy. In the case of cultural ecology and symbolic ecology, we should note that the primary connection with economic anthropology lies in the analysis of people's relationship with their ecological niche: both models rely heavily upon empirical observations of activities such as hunting, fishing, horticulture and resource exploitation in general.

'Cultural ecology' refers to a model that posits a deterministic relationship between culture and the ecological niche people occupy; culture is said to adapt to physical environment. This model has been applied extensively to the economies of forest-dwelling indigenous peoples and *caboclo* populations, and has also been the subject of intense debate, especially among anthropologists working in the Amazonian lowlands. A famous example of this debate is the analysis and explanation of the high propensity for warfare among the Yanomami of the Upper Orinoco region, on the Venezuela–Brazil frontier. The 'economic' perspective, which was in fact largely based on the cultural ecology of Marvin Harris, essentially held that Yanomami warfare had its origins in the overexploitation of the surroundings, which created acute shortages of animal protein. This in turn, ran the argument, led to the development of adaptive behaviour such as warfare, village fissioning and infanticide. (This debate generated a large volume of literature. For a small sample of the various positions, see Chagnon 1979: 910–13; Harris 1974: 102–5, 1984: 183–201.)

'Symbolic ecology' is a theoretical position that attempts to reconcile the materialism of cultural ecology with the ideational framework of symbolism. In other words, it is an effort to surmount the deficiencies of both overly deterministic materialism and intellectualist approaches which have become too far removed from lived economic reality: in the context

of South America, the most obvious example of this latter tendency would be the structuralism of Claude Lévi-Strauss. Phillipe Descola (who was Lévi-Strauss's student), is the strongest and most articulate advocate of symbolic ecology (this position is presented with clarity in Descola 1996). Symbolic interpretation is not restricted to ecology, but can also be deployed as a method for analysing indigenous theories of value, production, exchange and consumption, an approach taken by Michael Uzendoski (2004) in his recent work on the Ecuadorean Napo Runa.

'Informal economy' is a term originally used by Keith Hart (1973) in his ethnography of a translocal ethnic community in Accra, Ghana. It 'refers to the mass of economic transactions that takes place beyond effective state regulation' (Hart 1999: 99). It is especially relevant in South America, where so much economic activity, both urban and rural, is beyond the gaze of the state. David Cleary argues that in Amazonia, 'the informal economy is considerably more important than the formal, and will remain so' (1993: 342).

'Political economy' as understood here and in most economic anthropology is a slightly confusing term: it does not refer to the original model of political economy propounded most famously and forcefully by Adam Smith, but is shorthand for the critique, mounted by Marx, of this model (there is a vast literature on this critique; a good starting point is Marx 1976 [1867]). Smith's model embodied certain assumptions, such as the 'economisation' of human labour and relations of production, and the legitimately primordial nature of the capitalist economy, private property and the pursuit of individual gain. Marx's approach was to deconstruct and 'demystify' this model of society and to demonstrate the essentially social nature of all relationships constituting a system of production.

In the context of the economic anthropology of South America, the political economy approach normally involves close scrutiny of relations of production, and the analysis of wages, surplus value and exploitation. Nash's ethnography mentioned above is a good example of this method applied in South American economic anthropology. On the whole, the political economy model has been used most extensively among urban, industrialised or semi-industrialised populations; we can understand this if we consider that Marx conceived it as a way of understanding relations of production in industrial contexts. Transferring the model out of this context and into, for example, that of a small kinship-based society which achieves self-sufficiency through subsistence hunting and fishing, is a challenging though not impossible task.

It is sometimes argued that materialist approaches such as cultural ecology are Marxian in orientation, and that they represent the theoretical gambit of transferring political economy from the factory to the forest.

There is some merit in this argument, in so far as cultural ecology and Marxian analysis share common territory such as the interrogation of modes of production and resource allocation; however, it is important to understand that, in spite of this overlap, key differences remain. One example of such difference concerns the concepts of power and coercion: a cultural ecology approach seeks to explain these in materialist or economic terms, as in the case of Yanomami warfare described above, in which the exercise of violent power upon other people is explained as the *result* of protein shortages. A Marxian political economy looks at the question from the opposite side, arguing that economic systems are *held in place* by structures of power and coercion.

Writing of the Waiwai, a Cariban Amerindian society who live in the forested borderlands of southern Guyana and northern Brazil, George Mentore makes one of the more successful efforts to apply political economy to a kinship-based, forest-dwelling community. Analysing a spontaneous communal peccary hunt and the subsequent distribution of meat, Mentore demonstrates how the product of the individual hunter's labour is appropriated by the community, and shows that coercion is indeed operative, though cast in terms of kinship morality. He writes: 'The principal demand of this collective group [the community] is the appropriation of surplus labour which it achieves through the redistribution of the social product; that is, by means of the mechanisms of exchange prescribed in the social relations of kinship' (Mentore 1995: 29). A central assumption which this example shares with classical political economy is that successful reproduction of the economic system depends upon the continued appropriation of the individual's surplus labour.

Deriving structure

Reading my schema in this way, row by row, allows us to understand some of the dynamic contrasts and complementary relationships that exist in the economic anthropology of South America. If we now work vertically down through the columns, we can identify two broad patterns which help to impose structure on these sets of themes.

The first of these, derived from the left-hand column, has its origins firmly in the anthropology of small-scale, primarily (though not always) indigenous societies, often physically very remote from urban core areas. It is characterised by a focus upon subsistence livelihoods and the socially prescribed distribution and consumption of the inalienable products of human labour. Various models have been developed to approach this material; with certain exceptions such as the political economy described above, the majority of these models represent examples or transformations of the themes of cultural or symbolic ecology.

The second movement, derived from the right-hand column, has its origins in the anthropology of peasant, extractivist and proletarian populations, although it has gradually moved outward from these ethnographic homelands. It is characterised by a focus upon monetised or semi-monetised livelihoods, and the sale or appropriation of human labour and its alienable products. Theoretical models applied to these contexts include variants on the themes of political and informal economy, although, as Mark Harris (2000: 14–18) notes, the economies of *caboclo* and other rural South American populations have historically been discussed in terms of adaptation and cultural ecology.

From structure to transition

The lower part of the table refers to the economic anthropology of South America which reflects the lived reality of *most* South Americans in the twenty-first century. This body of economic anthropology assumes that change – social, political, economic and cultural – defines more than ever before the ways in which people experience the world around them. Specifically, studies of this kind focus on issues such as the articulation of different social, cultural and economic systems, and upon processes of transition, reconstruction and reconfiguration which such systems constantly undergo. I want to emphasise the point that social, cultural and economic change and dynamism are obviously not new phenomena, but processes that have been under way since the peopling of the continent. That said, I also note that the pace of these processes has not been constant, and that different moments in history have witnessed more or less radical forms of transition. Attention to articulation and change is not completely new in South American economic anthropology. However, it is certainly true that from the 1970s onwards, these issues moved to the foreground, becoming the subjects of monographs and articles in their own right and ceasing to be relegated to a footnote or final ‘Looking to the Future’ chapter appended to ethnographies heavily invested in the fiction of economically isolated populations. Here, I shall discuss one such example.

In *The Devil and commodity fetishism in South America*, Michael Taussig discusses two transitional populations who have shifted from one economic idiom (a peasant mode of production characterised by balanced reciprocity and collectivism) to another (a capitalist mode of production characterised by economic individualism). The areas which he discusses are the Cauca Valley of Colombia and the tin mines of the Bolivian highlands. I shall discuss only the former here. In the Cauca Valley, campesinos who once produced goods for their own use and exchange have been absorbed as a proletarian labour force on large commercial farms and

sugar plantations. To enhance their productivity, upon which their income depends, they make contracts with the Devil, and ritually enact these with an anthropomorphic doll. The money won from these contracts is culturally marked and tainted by the morally ambivalent manner in which it has been gained. It thus cannot be used for productive activities, and is said to be barren. By contrast, campesinos on the Pacific coast of Colombia, who have not moved from the peasant to the capitalist mode of production, who do not sell their labour and who control their means of production, use the same doll in their ritual activities, but here it is associated with healing and protection because the underlying relationship with the supernatural is a benevolent one (Taussig 1980: 94–9). Taussig's point is that a shift from cooperative reciprocity to individualistic capitalism has been mirrored by a shift in relations with the supernatural, from benevolence to malevolence. These cultural elaborations represent indigenous critiques of a transition from peasant to capitalist modes of production. The key theoretical focal point here is thus upon movement from one economic idiom to another, and how this shift is played out at the cultural level.

Conclusion

As anthropological theory developed over the course of the twentieth century, geographical areas became associated with specific theoretical or thematic leitmotifs in the discipline. No student of anthropology will fail to connect structural functionalism and the 'bovine idiom' with the Nuer, or 'honour and shame' with the Mediterranean. Asked to suggest such a leitmotif for South America, most anthropologists would reply 'structuralism and dual organisation', referring to the pioneering work of Lévi-Strauss, which found its spiritual home in Lowland Amazonian kinship and mythology. On the other hand, economic anthropology is associated closely with the work done in the Western Pacific, starting with Malinowski's studies of exchange among Trobriand Islanders (Malinowski 1922; see Strathern and Stewart chap. 14, *supra*). With certain notable exceptions, economic anthropology in South America has tended to exist as an element of larger descriptive and interpretative projects, rather than as an end in itself.⁵ This recognition should not, however, obscure the fact that important work has been done, and continues to be done, in the economic anthropology of South America.

Notes

1. Readers interested in transnationalism, globalisation and other ways of theorising migration, labour and remittances in Central America may consult, for example, Robinson (1998, 2010) and Schmalzbauer (2008).
2. Most readers will be aware that the Conquest played just as important a role in the *erasure* of ethnicities as in their creation.

3. The terms 'indigenous' and 'Amerindian' are preferred here and used interchangeably. The Spanish/Portuguese *indio/indio* are widely considered pejorative. *Caboclo* is used to refer to an 'Amazonian peasantry', including those not focused on agrarian subsistence (see Lima 1992: pp. ii–iii and *passim*; Nugent 1993: xvii–xx and *passim*). Like social categories everywhere, identities such as the ones used in this chapter are fluid and highly contested. Today, more than ever before, identities such as 'indigenous' and 'non-indigenous' are slippery and politicised; as analytical or ontological categories, it may well be the case that they have outlived their usefulness. They are used here because, for much of the ethnography under discussion, these are important and sustained distinctions.
4. In this sense, I agree with Stephen Hugh-Jones (1992: 44), who notes: 'I do not find it useful or advisable to draw a sharp line between Western capitalism and aboriginal economies as ideal types characterised by opposed pairs such as exchange value/use value'.
5. For an example of South American economic anthropology defined as such, see Gudeman and Rivera's excellent *Conversations in Colombia* (1990).

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30 Africa south of the Sahara

Mahir Şaul

The earlier anthropological studies of economy in sub-Saharan Africa were conducted primarily by British scholars, and many were students of Bronislaw Malinowski. A pioneer is Richards, whose library-based thesis on the Bantu peoples of South Africa (1932) advocated Malinowski's 'functional method', arranging its chapters in terms of primary and secondary needs. Richards's later fieldwork among the Bemba of Zambia resulted in a better-known book (1939), a touchstone for the description of slash-and-burn or 'swidden' agriculture and its matrilineal setting. She described a rural economy undergoing rapid change and increased migration from countryside to town. Goodfellow (1939) initiated a sophisticated reflection on the utility of neoclassical economic notions for Africanist anthropology.

This interest in migration was important in the work of those at the Rhodes-Livingstone Institute in Central Africa (Wilson 1942). Godfrey Wilson, its first director, wrote together with his wife Monica on social change (1945; see also M. Wilson 1964 [1936]). Max Gluckman, a later director, studied the Lozi, including a general account of the economy (1941) and essays on property (1943). He analysed the way land was held and the role of descent groups, using Maine's idea of a hierarchy of rights. When he took over the directorship he imprinted his interest in urban and industrial studies, well ahead of his time. He laid down for the researchers of the Institute a representative sample of British Central Africa, to assess the effects of labour migration and urbanisation on family and kinship organisation, economic life and political values (Gluckman 1945).

Gluckman, who subsequently moved to Manchester, attracted a number of young researchers interested in social change. Among these, Watson (1958) argued that migration to industrial areas reinforced tribal allegiance rather than undermining it, because claims on rural land were tied to original community and kinship identity. Scudder (1962) described environment and agriculture in the middle Zambezi River. Later he collaborated with Colson to produce a significant body of longitudinal studies on the Tonga who were resettled because of dam construction (Colson and Scudder 1988; Scudder and Colson 2002). Turner's (1957) analysis of the Ndembu of Zambia included detailed information on their farming economy. The contribution of Manchester scholars was not

limited to Central and Southern Africa. Cohen conducted a seminal study of traders and butchers in Nigeria (1969) and of trade diasporas (1971).

Some important economic work by other British anthropologists was also conducted in Nigeria. Forde, originally a geographer, wrote on ecology and society (1934) and on Yakö economy (1964), and with Scott (Forde and Scott 1946) he undertook a survey of Nigerian small-scale farming that located it in its broader context. Nadel (1942) produced one of the most comprehensive ethnographies in West Africa, focusing on craft specialisation, markets and trade. M.G. Smith (1955) examined the effect of political structure on economic life among the Hausa. Paul Bohannan wrote a description of Tiv farm life in central Nigeria (1954) and then, with Laura Bohannan (1958), three sourcebooks for the Human Relations Area Files, the second devoted to subsistence, technology and economics. In two influential articles, Paul Bohannan introduced to Africa the notion of 'spheres of exchange' (see Isaac chap. 1, *supra*) from Oceania. Most of this was brought together and elaborated in Bohannan and Bohannan (1968), making the Tiv perhaps the best-known case in economic anthropology (see Hart chap. 10, *supra*).

Sahlins's influential *Stone age economics* (1972) exemplifies the larger impact of this work. Two chapters on the 'Domestic mode of production' rely greatly on quantified analyses by the authors mentioned above, and on Douglas's (1962) study of the Lele and Woodburn's (1968a, 1968b) of the Hadza. Sahlins's 'Original affluent society' chapter was largely inspired by the finding of an American project that Kalahari foragers spent little time on subsistence (Lee 1979; Lee and DeVore 1968). Also in the US, Netting (1968) presented a detailed account of a central Nigerian farming system where population growth led to agricultural intensification.

The notion of a development cycle of domestic groups is an important contribution of this period. Fortes (1949) linked the pattern of fluctuating membership of domestic groups in two Ghanaian towns to opportunities offered by matrilineal descent and other aleatory factors influencing residence decisions. An edited volume that he oversaw elaborated his basic insight (Goody 1958a; classic chapters are Goody 1958b, Stenning 1958). Elsewhere Goody (1962) discussed inheritance as a factor in religious and economic life in northern Ghana. As well, he (1977) examined the connection between African hoe agriculture and gender-linked property devolution, in contrast to Eurasian plough agriculture, dowry and inheritance by children of both sexes.

Gulliver (1955) made an important contribution to the study of property management in his work on East African pastoralists. In contrast to the conventional stress on the homestead headed by the husband, he argued that the mother-child unit is critical for production, consumption

and inheritance, an argument that remains important in recent debates about the African household (see below). In an edited collection on the same theme (Gray and Gulliver 1964), Gray (1964) argues that rights and obligations around marriage focus on land and money transactions, and criticises the previous scholarly emphasis on structure and legalistic language at the expense of economic exchange, ecological constraint and social process.

The development of cocoa economy in West Africa stimulated pivotal studies. Hill's (1963) pioneering book on Ghana demonstrated how resourceful migrant farmers reinterpret older forms of collaboration to new ends, whereas Berry (1975, 2001) discovered that cocoa plantations in western Nigeria and in Ghana increased social mobility while their benefits remained unequally distributed and public and private wealth interpenetrated (for other important cocoa studies see Dupire 1960; Guyer 1980, 1984).

The formalist–substantivist debate in Africa

For many years, Herskovits was the leading figure of both economic anthropology and African studies in the US. He wrote on the 'cattle complex' (Herskovits 1926) and on the results of his fieldwork in Dahomey, now Benin (Herskovits 1938). However, his reputation as an economic anthropologist was established later, with a textbook (Herskovits 1940). A synthetic work of the type produced by many students of Franz Boas, it was presented as an introduction to 'comparative economics', to provide a base for a more universal economic science. His desire to generalise from a broad ethnographic base stands in tension with his desire to draw on the analytic apparatus developed by Alfred Marshall and other formal economists. In the 1950s these two orientations drove economic anthropologists in the US into two hostile camps, the substantivists and the formalists.

The substantivist position drew most directly on Karl Polanyi, a social critic and economic historian (see Isaac chap. 1, *supra*). Polanyi's first and most influential book (1944) is an extended commentary on the growth of English *laissez-faire* capitalism in the eighteenth century and its transformation in Europe at the end of the nineteenth. Polanyi argues that the self-regulating market erodes social life and triumphed only because of coercive measures promoted by an interested elite. Its success provoked social opposition, and may have led to ruinous outcomes if market forces had not been reined in. Polanyi stressed that in Britain the Crown often slowed the devastation visited by the Parliament; the idea of the monarch as proxy for society is echoed in his later work on archaic kingdoms (Polanyi 1966; his chapters in Polanyi et al. 1957). This work

presented models of two sorts of non-market economic organisation: reciprocity, modelled on Malinowski's Melanesia ethnography, and redistribution, illustrated with Babylon and ancient Egypt but also related to feudalism.

The ways that economies can be integrated in the absence of markets was further explored in a large interdisciplinary project that he led (Polanyi et al. 1957). In this book only two contributions (on Dahomey: Arnold 1957a, 1957b) concern Sub-Saharan Africa, but Polanyi's views shaped the other contributions on archaic and pre-Columbian empires. In his final years, Polanyi drew on Herskovits and on historical accounts by European Atlantic traders in work that focused on Dahomey (1966), which he presented as a kingdom with bureaucracy, administered trade, central planning and exchange rates fixed by royal decree.

Anthropologists became familiar with Polanyi's views through Dalton (1961), who was an economist by training but a frequent contributor to anthropology journals. Dalton conducted research in Liberia and published on economic development, but his anthropology publications are programmatic, with examples selected from the works of other ethnographers. His substantivist allies were Paul Bohannan and a number of young admirers of Polanyi. Although many shared Polanyi's political sympathies, his prophetic voice quickly gave way to more innocuous academic propositions, the clearest of which was that one could not apply formal economic theory to non-Western societies.

The substantivists' most important collective endeavour on Africa was a volume on markets edited by Bohannan and Dalton (1962). Two of Polanyi's ideas were central: marketplaces and trade could exist in a society without a 'market principle' regulating prices and factor allocation; there is a distinction between 'all-purpose' money, which cumulates the functions of exchange, payment and standard, and many historical currencies that served only one or two of these purposes (see Hart chap. 10, *supra*). Bohannan used 'all purpose' and 'special purpose' in a distinctive way, to fit his model of spheres of exchange: African moneys were special purpose in that they could be exchanged only against a limited range of goods (for this legacy as a mixed blessing, see Şaul 2004).¹

Schneider, a student of Herskovits, was one of the leading formalists. After early work among the Nilotic pastoralist Pokot in Kenya, he established fame with publications on the Wanyaturu farmers of Tanzania (1970). Besides providing a wealth of meticulous data, he argued against the substantivists' communalistic view of economy and society, which de-emphasised selfish motives, and instead stressed conflict and competition. He proclaimed that formal economic theory could be applied to Africa.

A close reading of formalist publications reveals that they felt affinity

with the broader generational rebellion in British anthropology against structural functionalism (to which the US substantivists were assimilated) and in favour of the study of negotiation, change and conflict. In the late 1960s, two popular readers appeared that represented the two rival camps. One, edited by Dalton (1967), included eight chapters on Africa; the other, edited by LeClair and Schneider (1968), included five.

Although the dispute is commonly called the formalist–substantivist debate, the two camps were internally heterogeneous and were speaking past each other. For instance, the substantivists included some principled opponents of neoclassical economics (institutionalists, quasi-Marxists) and others who were simply comparativists, or principled culturalists who moved from empiricism to idealism and anti-theory. These strands co-existed in Dalton's work, but he made the unobjectionable point that in those parts of Africa where land and labour were not commercialised, much neoclassical analysis had little utility. For Bohannan the issue was simply that anthropologists did not ask the same questions as economists (quoted in Dalton 1961: 12). In polemic, however, few distinguished between the variety of economic theories and schools or levels of analysis. Dalton thought that anthropologists were attracted to formalism because they felt 'naked before their mathematically padded colleagues', the economists (1968: xxxix); the political strength of free-trade conservatism also favoured formalism; discordantly, a third factor that made formalism popular was that some scholars thought it implied greater respect for 'the native'.

While the debate was central to economic anthropology in the US, it was largely ignored in Britain. Raymond Firth's students, who continued Malinowski's actor-oriented anthropology, sided implicitly with the formalists, as did the historians who criticised Polanyi and Bohannan. Barth (1967), going further, wedded Bohannan's idea of 'spheres of exchange' to 'entrepreneurship', showing how obstacles to conversion between spheres in southern Sudan stimulated the desire to overcome them for gain, leading to changes in the spheres. In a way, 'new institutional economics' (Ensminger 1992), premised on rational choice but focusing on market constraints using game theory, also bypasses the formalist–substantivist opposition.

Marxism

While Marxist ideas have long influenced economic anthropology, in the 1970s Marxist vocabulary gained greater currency (see Robotham chap. 3, *supra*). A group of French scholars provided the impetus, their impact in the English-speaking world being mediated by young British anthropologists (especially in the journal *Critique of Anthropology*). The pioneer was

Meillassoux who, following fieldwork in Côte d'Ivoire, set forth his major insights in a widely quoted article (Meillassoux 1978 [1960]). His account of African farm communities focused on self-provisioning and a hierarchy that had senior men at the apex and junior men the bottom, with women being a subordinate side group with its own internal hierarchy. Senior men's authority was based on technical and ritual knowledge; young men were dependent on them because senior men controlled access to the prestige goods necessary to acquire wives. Meillassoux argued that, in these communities, the reproductive role of women was more important than their labour power. He also considered how this economy could absorb limited commercial exchange. A monograph on the Gourou followed (Meillassoux 1964) and he developed his theoretical reflection in a further volume (1981 [1975]). Meillassoux was inspired by the Bohannans, and through them British social anthropology, and expressed sympathy for Polanyi against the formalists. The bridge he established to Marxism, the themes of conflict between elders and juniors and men and women, and the political aspect of the circulation of wealth objects, found enthusiastic audience among a younger generation of Africanists.

Important in the revival of Marxist thought in Europe in the 1960s was the concept of the 'mode of production', a label for the relation between productive resources and classes and the flow of products from one class to another. An important aspect of this was a debate on the 'Asiatic mode of production', described in Marx's writings on India and Russia and now added to the standard list (Ancient, Germanic, Feudal and Capitalist). One early product of this debate to reach English-speaking anthropologists was a paper by Dupré and Rey (1968). Writing for theoretical clarification during fieldwork in the Congo, they start with an extended critique of the substantivists for setting out 'marketless society' in contrast to capitalism, in the absence of a satisfactory theoretical treatment. Then they provide a synoptic history of four centuries of relations between Congo societies and Europe, from the slave trade to colonisation. It is remarkably bold and original, showing that African social and economic organisation did not dissolve with increasing European contact, but was transformed as the political needs of the Congolese elite changed in response to changing European merchant interests. Their work draws on Meillassoux, but goes beyond him with a more profound historical understanding and a greater attention to class conflicts. Perhaps the most significant contribution of their work was the notion of 'articulation' between a 'lineage mode' and the capitalist mode of production.

Rey (1971) amplified these themes in a seminal monograph, packed with ethnographic and historical information and ranging freely over a wide variety of theoretical subjects. Instead of constructing an ideal

pre-colonial past, he focuses on colonial dislocation. In later work, he (1973) elaborated on the phases of 'articulation', arguing that during colonial transition traditional authorities were complicit in drawing young men to markets and wage labour. An acclaimed review article by Foster-Carter (1978) assessed Rey's work and its impact in Britain, where the dependency school ruled (see Eades chap. 2, *supra*).

Meillassoux's ethnography also inspired an extended commentary by Terray (1972 [1969]), which re-examines production and consumption units with a new rigour, partly inspired by Rey. For Hart (1982: 187), this was 'the best single essay to have emerged from French Marxist anthropology'. For Terray, kinship is shaped by influences from three areas of social life: forms of cooperation in production, juridico-political rules, ideology. He greatly refines the idea that kinship is dominant in this mode of production by taking kinship to be an element in the realisation of the mode of production. As well, he argues against Rey's view that elders exploit juniors. (In his ethnographic work, he explored pre-colonial class and exploitation among Abron military leaders, slaves and Jula traders in Côte d'Ivoire; Terray 1975.)

Meillassoux rejected Rey's idea of articulation and the usefulness of mode of production analysis for his African material. He went on to conduct fieldwork in Mali, as well as more historical analysis. In 1970 and in 1971 he organised two series of colloquia in Paris. The first was on commerce (resulting in Meillassoux 1971); the second was on slavery (resulting in Meillassoux 1975). Besides the great richness of individual contributions, Meillassoux's introductions to these collections demonstrate his masterly control of the sweep of West African history.

These contributions changed the anthropological landscape. Conflict between generations, between men and women and between classes entered the literature. Ethnography became more concerned with history and the impact of colonialism. These themes also featured in the rise of the intra-household and gender literature (see below). One important consequence of Marxist debates for US economic anthropology was to defuse the substantivist-formalist debate, creating an interest in developing an analytic frame of research to deal with all sorts of economies. Donham (1981) proclaimed the end of the opposition between formalists and substantivists, and then published detailed monographs on southern Ethiopia to substantiate the point (Donham 1985, 1990). However, the bulk of French ethnographic work that inspired the debates, and especially the erudite and historically-inflected subsequent work by its authors, remained little known in the English-speaking world (for example Dupré 1982, 1985; Meillassoux 1968, 1970, 1991 [1986]; Olivier de Sardan 1969, 1984; Terray 1969, 1995).

Household and gender

African anthropology contributed significantly to the interdisciplinary study of household and gender since the 1970s, and this literature contains substantial concern with economy. Kinship studies provided one impetus. The keen analysis of interpersonal relations associated with the idea of the developmental cycle alerted critics to extra-domestic ties and to limits on the scope of the conjugal bond. Cases where spouses maintain separate interests and claims to property in joint ventures outside of the household, or undertake only limited production and consumption together, or do not even live together, are more common in sub-Saharan Africa than elsewhere and gave feminist scholarship a sharpened analytic awareness. With growing confidence, Africanists challenged the joint-household utility models of neoclassical economics and the 'peasant household' (see Harris chap. 25, *supra*).

The interest in conflict and negotiation between spouses and between generations was reinforced by the debates that Meillassoux, Terray and Rey stimulated. This influence is easily missed today, because initially Meillassoux drew more criticism than praise for blurring social and biological reproduction and for failing to elaborate on women's subordination (Harris and Young 1981; O'Laughlin 1977). The contribution comes to light in two literature reviews: Guyer's (1981), which establishes continuity with mainstream anthropology, and Moore's (1988: chaps 3, 4), which places the debate within feminism.

Husbands' claims over wives' labour, often limited to specified activities, may expand or contract with struggle or negotiation under changing circumstances, but regional patterns appear to have remarkable continuity. Hill (1969, 1972), writing on northern Nigeria, and Dupire (1960), writing on cocoa and coffee planters of Côte d'Ivoire, describe in detail the implications of spouses maintaining separate estates. Moreover, this pattern is not limited to West Africa (for a Muslim area in Tanzania, see Caplan 1984). That spouses engage separately in production does not imply equal access to resources. When dependants have private fields, women may have to work both in their husband's and in the larger household's fields before they can turn to their own (Berry 1985). In the Ghana cocoa belt, the food women grow complements men's cash crops or migration, but some women choose to live separately (Bukh 1979). Guyer (1980) explores the factors accounting for the contrast between Ghana and Nigeria in the historical development of women growing food and men cash crops. In Kampala, village wives become independent by bringing food to the city and taking back money, but men are ambivalent about successful women (Obbo 1980). Linares (1992) offers an exemplary study comparing different division of labour patterns in communities that combine wet-rice and

rain-fed cereal and peanut farming in southern Senegal, and describing how these patterns change with current developments (for a survey of four decades of research, see Linares 2009).

Some compelling urban research has been conducted in Ghana. In Accra, women possess considerable freedom and choose to remain single (Dinan 1977). Sanjek's (1982) study of a suburb of Accra is important not only for its findings, but also for its methodology. It starts with the set of co-residents, and examines the functions performed within it and members' links to people outside. This approach highlights relationships that tend to be obscured when using demographic techniques elaborated for the study of European societies. A collection where West African women scholars are well represented explores in what domains spouse collaborate or keep separate interests under evolving conditions (Oppong 1983). Another collection brings together contributions by historians and anthropologists on urban women in different parts of Africa (Hafkin and Bay 1976).

For the colonial period, Etienne (1977) argued that women lost ground among the Baule of Côte d'Ivoire, because the crops men and women started producing were not commercialised to the same extent. Migration also can affect men and women differently. In a historical study of kinship in Lesotho, Murray (1981) finds a growing number of female-headed households and women assuming a greater role in agriculture. Female-headed households are not necessarily poor, however, as Peters (1983) argues in a critique of research in Botswana, and urban migration can be a response to better opportunities (Izzard 1985). One of the gains of the 1970s was breaking down the category 'women', and questioning the assumption that they lost ground uniformly because of colonisation. Instead, some women did well during colonialism and after independence (Guyer 1984; Stone 1988).

Trade

The study of trade and markets, primarily in West Africa, has had influence well beyond those concerned only with the subcontinent.² One aspect of these studies, Hart's (1973) notion of the 'informal economy', is probably the most visible contribution by economic anthropology to international research and policy making (see Chen chap. 28, *supra*).

In the last two decades, studies of commerce have taken a more historical approach or turned to transnational linkages. One edited volume by Guyer (1987) explores the grain trade since colonial times and another (Guyer 1995) traces the legacy of the Atlantic encounter between West Africa and Europe. Robertson (1984) offers a panorama of Ga women's economic participation in Accra, growing sex segregation giving women

autonomy and strength in the colonial period, but eroding now with class differentiation and the reassertion of male authority through wealth. Clark's (1994) impressive study of the Kumasi market in Ghana shows how heterogeneous groups coalesce without necessarily sharing all interests, and how gender and ethnic transmission of skill and wealth accounts for the present configuration of trade networks and marketplaces. She shows that market women generally lost capital, although some benefited from the competition for relative position and privileged access to sources of supply.

A set of French works known as *anthropologie de l'entreprise*, focusing on the distribution of consumer goods, deserves better recognition in the English-speaking world. Cordonnier's (1982) study of Togolese women cloth wholesalers was the forerunner of these works. They belong to the coastal trade bourgeoisie, whose better-educated men were in civil service jobs or politics. Gender stereotyping benefits the richest women, for example in not having to keep formal accounts, which results in lower taxes. Another work, by Labazée (1988) on well-known businessmen in colonial and post colonial Burkina Faso, started a trend. In a special issue of *Cahiers d'Études Africaines* Labazée (1991) presented another set of articles, including his own on the rich women traders called 'Nana Benz' in Lome, and Grégoire's (1991) on the smuggling between the port of Benin, Niger and Nigeria (see also Collins 1976). Some contributions link seemingly wasteful ostentatious spending to access to resources, an argument also made more broadly for the evolution of southern Nigerian economy (in Berry 1985).

Important work also focuses on trade diasporas and cross-border trade (Grégoire and Labazée 1993). For example, Lambert's (1993) study of women traders on the Dakar–Bamako railroad line shows the oldest and wealthiest among them providing organisation and protection for the weak, but also obstructing their growth. An important feature of this work is that it rejects the distinction between formal and informal economic spheres, arguing that the state and cross-border trade affect all sectors of the economy. As well, it makes use of biographic case studies to better describe social and economic linkages and historical trends.

Transnational trade is at centre stage in Steiner's book (1994) on African art objects in the global marketplace, which emphasises African participants. MacGaffey and a set of collaborators (MacGaffey et al. 1991) published an unconventional study of smuggling and other income-generating activities in Mobutu's Congo. Similarly, Little (2003) studied Somalia in the early 1990s, when the state had collapsed, and shows how an economy can thrive on cross-border smuggling. A study that is equally original followed the two-way trade between the two Congos and Europe

by various individuals, including airline employees, church members, former students and high-fashion dandies (MacGaffey and Bazenguissa-Ganga 2000).

Development

Economic anthropologists made substantial contributions to development thinking in Africa, as either applied scholars or critics. Many works already mentioned have such dimensions. Scudder and Colson (2002), for example, chronicled the middle Zambezi valley from the late colonial infrastructure projects to resettlement, the post-independence hopes fanned by copper exports, the plunge into crisis and industrial contraction with the escalating oil and tumbling copper prices of the 1970s, the foreign aid boom, the structural adjustment programmes imposed to service foreign debt, massive unemployment, and the AIDS epidemic, leading to 1990s pessimism. In a prolific career, Mair (1934, 1969) studied East African responses to new technologies and market, becoming a pioneer of applied anthropology.

Beginning in the 1970s, major donors such as the World Bank and the leading world powers became predominant sources of public funding in most parts of Africa, implementing their development policies and bloating countries' foreign debt with fruitless projects; they also provided employment to expatriate anthropologists, which resulted in academic publications on the topic. In more recent decades, with the partial withdrawal of the large donors and a state of insolvency left behind from earlier intervention, smaller non-governmental organisations proliferated to disburse foreign aid and provide services that the paralysed governments could not. Anthropologists participated in this newer phase in a more limited way. The wisdom accumulated in such development work can be reviewed in Edelman and Haugerud (2005).

Ferguson (1994) argued in a celebrated book that the very notion of 'development' blurs interconnections between the contrasting fortunes of different regions, turning poverty and production relations into technical issues to be resolved within the boundaries of isolated countries. He thus reproduces the principal theme of dependency theory, albeit without the economic analysis or the political urgency of the latter, and also with a tinge of disapproval of any transformation as assimilation to Western ways, which has strong precedents in older anthropology. Olivier de Sardan (2005 [1995]) followed a different course by focusing attention on the complex interactions between aid agencies, their field personnel, local intermediaries, government institutions and the intended beneficiaries, to uncover clashing ways of reasoning, purposes and interests, which none-the-less accommodate each other. This research is deliberately

non-normative and steers clear of both apology and denunciation, or the 'politically correct' and postmodernism; but the insights it produces can inform evaluative assessments or applied research, and the newsletter of the APAD (the *Association Euro-Africaine pour l'Anthropologie de Changement Social et du Développement*) it inspired publishes both broad reflections on aid philosophy and investigations on issues of well-being in project settings in Africa. Finally, in the middle tome of a major trilogy on Kenya, Shipton (2009) examines the legacy of freehold tenure that the colonial government introduced and the national governments expanded, to argue for its incompatibility with African practice and worldview, and unravel its unforeseen and undesirable outcomes, voicing a critical perspective also espoused by earlier anthropologists.

Conclusion

As this chapter shows, Sub-Saharan Africa has been an important region for economic anthropologists since the early decades of the twentieth century. Issues significant in the subdiscipline, and indeed in the discipline as a whole, have emerged from work in the region, and some of these have gone on to influence broader international policy making. In this chapter, work in the region has been presented in terms of a distinct set of issues. However, it is important to remember that, underlying the differences between them, they are united by a common recognition that economic activities, processes and structures can be understood only by attending to their links with the social, cultural and political fields in which they exist.

Notes

1. A more recent comparative work by Shipton (1989), grounded in Kenyan ethnography, provided a somewhat different perspective on the kinds of restrictions that can be imposed in spending money. Shipton pointed to a belief that retribution will befall people using money that has been procured in disapproved ways (the sale of ancestral land and gold, some cash crops sales, criminal activity) in livestock and bridewealth transactions. This kind of moral check on circulation can be contrasted to 'special purpose money', in either Polanyi's or Bohannan's senses, in its political effects. An edited collection returns to the theme that money and trade can be present without capitalism (Parry and Bloch 1989).
2. In addition to the work of Nadel, Cohen and Meillassoux, mentioned already, see Hill (1966, 1970), Hodder and Ukwu (1969), Little (1973) and Sudarkasa (1973); an important work from beyond West Africa is Gray and Birmingham (1970).

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31 South Asia

John Harriss

I distinguish four themes in the economic anthropology of South Asia. The first concerns the '*jajmani* system', a phrase that refers to the ways that economic transactions may be embedded in the social relationships of caste in Indian villages. This is the classic theme in the economic anthropology of South Asia, and it leads logically into a second, the commercialisation and commoditisation of the rural economy. Here I also consider the recent development of cultural political economy. Third is a short review of recent research on the environment and the management of natural resources. Finally, I consider the economic implications of caste and religion more generally, in regard to business organisation and labour markets, a theme with a considerable historical pedigree. This theme is linked with the increasing interest within economics in culture, and in the relationships between 'formal' and 'informal' institutions.

Rural economic transactions and the '*jajmani* system'

The 'substantivist' view of the economic anthropology of India was set out by Walter Neale, one of Karl Polanyi's students (see Isaac chap. 1, *supra*). Neale aimed to show 'that the structure of the village economy . . . can be far better explained by the concepts of reciprocity and redistribution than they can by the more usual terms of economic theory' (Neale 1957: 222). Central to his analysis was the notion of the redistribution of the 'grain heap' after the harvest through the allocation of shares to different village servants and officials (for example, the blacksmith, carpenter, washerman and barber), who were themselves all connected through relationships of reciprocity within the caste system. The ruler too had a share, which came to be called 'land revenue' and which, Neale argued, 'is not a phenomenon of the market order and cannot be translated into market terms. To ask whether land-revenue was a rent or a tax was to misconstrue the economic organization of pre-British India' (1957: 234).

At around the time that Neale wrote, and for many years later, anthropologists observed these sorts of transactions; I saw the village temple priest, artisans, barbers and washermen receiving their shares on the threshing floors in south Indian villages in the 1970s (Harriss 1982: 43ff.; but see also Good 1982 for a critical commentary on the way inter-caste transactions have been understood, also referring to south India). By this

time the idea of the '*jajmani* system' was widely referred to in the many ethnographies of village India (though this term seems to have been unknown to the villagers themselves). This reflected the influence of a study of a north Indian village by W.H. Wiser, first published in 1936 (see Wiser 1969 [1936]), which referred to 'a system of redistribution in Indian villages whereby high caste landowning families called *jajmans* are provided services [including ritual ones] and products by lower castes [while] purely ritual services may be provided by Brahmin priests' (Kolenda 1967: 287). The idea of the *jajmani* system, symbolised in the grain heap, is one of a non-market economy regulated by customary rights and privileges and intrinsically bound up with caste relationships.

There was extensive debate about whether the system should be considered to be 'integrative' or 'exploitative' (discussed by Parry 1979: 74–83), in which the balance lay with integration, a position put by Louis Dumont (1970: 105), the outstanding modern theorist of caste: 'The needs of each are conceived to be different, depending on caste, on hierarchy, but this fact should not disguise the entire system's orientation towards the whole'. Epstein (1968), meanwhile, sought to show how *jajmani* relations provided some minimum guarantees of subsistence for artisans and labourers, in an argument that anticipated the later formulation by James Scott (1976) of the idea of 'the moral economy'.

More recently, Fuller (1992; and after him Mayer 1993) argued convincingly that, while there is no doubt that there are customary relationships in many Indian villages in which payments are made in kind, the whole idea of the *jajmani* system is a construction of the anthropological imagination and a misleading simplification (see also Good 1982).¹ Most important for the argument is the strong historical evidence showing that, as early as the thirteenth century, the 'king's share' was very often paid in cash and that the consequent demand for cash was one major factor integrating villages into a wider monetised economy. There is evidence, too, from pre-colonial India of the existence of private property rights and of a market in them. So, though there were (as there remain) redistributive systems in Indian villages, there were also private and exclusive rights which stood 'as the antithesis of [the idea of] complementary interdependence [emphasised by Dumont]' (Fuller 1992: 50). Fuller's work points to the significance of commercialisation and to the development of a market economy even at an early stage in Indian history, and these are also significant themes for the anthropology of contemporary India.

'Agrarian structure', commercialisation, class and caste

The village studies that were the stock in trade of South Asian anthropologists until the 1980s were generally preoccupied with aspects of caste

and religion, heavily influenced by the structural functionalism that also underlay the idea of the *jajmani* system (classics include Marriott 1955; Mayer 1960; Parry 1979). Beteille's village ethnography in the Thanjavur region of south India started to break this tradition with an investigation of the relationships of caste, class and power. It showed how these were once largely coincident, but have latterly become increasingly distinct (Beteille 1965; see also Beteille 1974). His lead was followed in work on 'agrarian structure', the network of relationships among groups of people deriving their livings from the land, and on the impact upon it of the commercialisation and commoditisation that were taking place, especially following the 'green revolution' in the 1960s. This had significantly increased both farmers' needs for cash and the commoditisation of agriculture.

Agrarian structures throughout the South Asian region are characterised by inequality and asymmetries of power. Although large landed estates are relatively unusual (except in parts of Pakistan) and the largest landowners in a village may own no more than twenty acres or so,² commonly a handful of village households own as much as half of the land, while half of the households own virtually nothing. In India, survey data for 2003–04 (Rawal 2008) show that 31 per cent of rural households own no land at all and another 30 per cent only up to one acre. Also, women's rights in land are severely constrained (Agarwal 1994, a major source on gender relations in South Asia).

In Marxist terms (see Robotham chap. 3, *supra*), the peasantry is highly 'differentiated'. 'Rich peasants', the dominant landholders (perhaps 5 per cent of the rural population), exercise power in land, labour, money and commodity markets, as well as in politics (for a case study, see Jeffrey 2001). Large numbers of 'poor peasants' and of landless, casual wage labourers have been locked, historically, into personalised relationships of dependence in all these markets with rich peasants, moneylenders or traders (roles sometimes combined in the same person). Because of the extent of such personalised relationships, the markets themselves are imperfect ('fragmented'): there are significant price differences that cannot be explained by the calculus of supply and demand. Such personalised relations constrain rural productivity because the returns on moneylending and trading are likely to be greater than on agricultural production, so that there is little incentive for productive investment. These relations can also hinder collective action and hence adversely affect the development of irrigation (see Bharadwaj 1985; for a classic statement on such agrarian relations, see Thorner 1956; on problems of collective action in irrigation, see Boyce 1987).

These agrarian production relations do not coincide perfectly with caste differences (or their local equivalents in Bangladesh and Pakistan) but

there is a good deal of overlap. Rich peasants mostly come from dominant castes, labourers come from low-caste groups, and the relationships between them may well have a religious significance given that, because of their caste positions, some of the labourers are responsible for performing ritual services. Thus, class relationships may actually be perceived by those concerned in them in terms of caste (Harriss 1982, 1994), and the by-now highly commercialised rural economy remains, in significant ways, embedded in caste relations. Rural labour markets, for example, remain fragmented spatially between villages, depending upon differences of caste structure and upon whether rich peasants are concerned to maintain their social and ritual as well as economic dominance (for example, Bardhan and Rudra 1986; Harriss 1991b). Labour markets are also fragmented by caste, as Breman (1985) has shown in south Gujarat, where local lower-caste people remained unemployed even while the dynamic regional economy drew in labour from outside. Generally, caste influences the ways in which people get jobs, and members of Scheduled Castes are usually excluded from some occupations.³

One particular question about production relations in the context of the more intensively commercialised rural economy is that of the persistence or not of patronage in the relations of cultivators and labourers. There is evidence, like that of Epstein (referred to above), that patron–client relationships were widespread and acquired legitimacy because they offered some minimum guarantees of subsistence, exactly as Scott’s argument about ‘the moral economy of the peasantry’ suggests. As the rural economy has become more commoditised it seems that there are possibly different trajectories of change.⁴ In some cases the dominant caste cultivators have clearly aimed to rid themselves of their historical moral and material commitments to lower-caste labourers (see Breman⁵ 1974). In yet other cases, however, it appears that dependence, perhaps with elements of patronage involved, is re-established where it is in the interests of landholders to attach dependent labourers to themselves through long-term debt, in order to reduce their labour costs. Breman argues that the use of debt for what he calls practices of ‘neo-bondage’ remains widespread (Breman et al. 2009). Whether this kind of attachment, and the ‘unfreedom’ of labour which it implies, can be described in terms of ‘patronage’ is a matter of considerable debate.⁶

There was controversy in the 1970s and 1980s about the trends of change in the rural economies of South Asia, and about the extent to which the ‘proletarianisation’ of labour was taking place (Byres 1981). What has actually happened over the last quarter-century or so has been that the differentiation of the peasantry has been more or less frozen. More and more rural people have come to depend substantially on employment outside

agriculture, often involving short- and long-term migration, though many retain some interest in land and do work for part of the time in agriculture. Some estimates of the population of seasonal migrant workers in India now run as high as 100 million (Deshingkar and Farrington 2009). Lerche explains that rural India is now characterised by ‘classes of labour’, encompassing ‘those who possess some means of production, but nevertheless share with wage labourers the overall position of being exploited and oppressed, and who may alternate between being wage workers and small-scale petty commodity producers, seasonally or throughout their lifetimes’ (2010: 65). Land is no longer so much the basis of power and status; nor does it serve so much to limit the livelihood possibilities of the poor, who commonly have been able to loosen ties of dependence. In some circumstances this may bring release from caste oppression for those who have been subordinated historically (Harriss et al. 2010), but the poor still exercise little political power.

Recent research framed by what is described as ‘cultural political economy’ draws particular attention to the meanings ascribed to work. Chari’s (2004) analysis of the development of the highly successful cluster of knitwear companies in the small south Indian town of Tiruppur – the outcome, he thinks, of the specific pattern of agrarian change in the region – shows how the members of one particular caste community constructed an ethic of ‘toil’ in a way that has ultimately been conducive to their successful formation of capital. And as Gidwani (2001: 95) has explained, in research that shows how labour institutions may change in response to struggles over status, work is not only a practical necessity but ‘also a powerful instrument for establishing social distance’. Another vein of research of this kind is concerned with the ways in which gendering takes place within and through the labour process (Ramamurthy 2010).

The management of the commons

A relatively new theme in the economic anthropology of rural South Asia concerns the environment and people’s perceptions and ways of using natural resources. An early but still important study is Guha’s (1989) on conflicts over forest management between forest dwellers and the state in the hills of Uttar Pradesh, while more recently Sivaramakrishnan (1999) has contributed research on state formation, forest management and environmental change in southwest Bengal. His work has moved Indian environmental history beyond the romantic simplifications of the nationalist environmentalism exemplified by Guha (and by Gadgil and Guha 1992, 1995).

The increasing interest among scholars in the possibilities for local, community management of natural resources, which are either ‘open

access' or 'common pool' resources, has followed from concern about resource degradation. Stimulated by Hardin's (1968) 'The tragedy of the commons', a number of scholars came up with cases of successful local management, and Elinor Ostrom (1990) developed a general theory, within a rational-choice framework, to explain the conditions for such success. More recently it has come to be widely accepted that the involvement of users in the management of resources is probably generally desirable in the interests of efficiency and sustainability, as in the Indian Joint Forest Management schemes (see Poffenberger and McGeen 1996).

A significant contribution to this literature from South Asia was Robert Wade's (1988) study of the development of local institutions for the management of irrigation water in parts of Andhra Pradesh. His explanation for the existence of these institutions is couched within a rational-choice framework, and he may underrate the significance of Reddy dominance in villages where water management institutions exist. More generally, it has been argued that the approach reflected in Wade's research can be enriched by 'the analysis of power [as his might have been had he taken greater account of Reddy dominance] and . . . the study of how political asymmetries across social groups affect their interactions and resource management related outcomes' (Agrawal 2001: 186; work of this kind includes Agrawal 1999; Agrawal and Sivaramakrishnan 2001; Mosse 2003; and the important collection edited by Bardhan and Ray 2008).

Caste, religion and economic activity

Many observers of South Asia in the twentieth century argued that caste and the religious ideas associated with it, notably the doctrines of *karma* (commonly translated as 'fate') and of *samsara* (the idea of the cycle of rebirth), powerfully constrain economic development. A more recent statement of these ideas is by the Nepali anthropologist Dor Bahadur Bista (1991), but the *locus classicus* for the idea that caste and religious values hamper development is Weber's *Religion of India*. Weber argued that Hinduism and Buddhism have no equivalent of 'the Protestant ethic' that he had seen as being intrinsically bound up with the development of capitalism in the West, and also that the caste system prevented the emergence of a capitalist free market. The ethics of 'this-worldly asceticism' that Weber observed among Calvinists in particular and which appeared to be so important for their 'rationalisation' of their conduct, and thus for the development of capitalism, had no equivalent in India, he thought: 'The conception that through simple behaviour addressed to the "demands of the day", one may achieve salvation . . . is alien to Asia. This is as excluded from Asiatic thought as the pure factual rationalism of the West, which practically tries to discover the impersonal laws of the world' (Weber 1967

[1916–17]: 342). In one way or another, his conclusion that cultural conditions have constrained the development of capitalism in South Asia has been reiterated by more recent scholars (for example, Myrdal 1968).

Weber's arguments were first subjected to ethnographic scrutiny by Milton Singer, who studied 'the industrial leaders' of Madras in the early 1960s, 'the most relevant group for a test of Weber's thesis' (1972: 284). Generally, Singer says, these businessmen stressed the philosophical foundations of Hinduism and the idea of Hinduism as a 'way of life' and a code of ethical conduct, rather than ritual observance.⁷ He felt that they could generally be described as 'this-worldly ascetics', just like Weber's Protestant capitalists, and he concluded that, far from acting as fetters on development, Hinduism can be seen as having very positive effects for entrepreneurship. This was part of his wider argument that 'the cultural ideology of "traditionalism" [may be] one of the major instruments of modernisation' (1972: 384). He also pointed out that there is a structural parallelism between the Hindu joint family and the modern corporation, and that it could provide a strong basis for the development of large industrial organisations.

Singer also noted, however, that caste was significantly reflected in employment patterns and labour markets, with the caste hierarchy being reproduced, albeit imperfectly, in the different categories of jobs in modern companies. These patterns, which persist even in India's sophisticated information technology sector (Fuller and Narasimhan 2007), show the long-standing connections between caste background and educational opportunity rather than caste prejudice *per se* (on caste and labour market structure, see Breman 1996; Harriss 1986; Holmstrom 1984; Parry, et al. 1999). Caste differences also continue to influence industrial relations, as when personnel managers try to avoid having substantial blocs of employees from particular castes or communities. Writing of the extensive informal economy of India rather than of the corporate sector, Harriss-White (2003: chap. 7) has shown the continuing economic significance of caste in her studies of the economy of a small market town in northern Tamil Nadu. She finds that economic liberalisation and modernisation have not dissolved economic relations based on caste, but have reinforced them, in what she calls 'caste corporatism'. De Neve, in a study of 'working lives in India's informal economy', finds similarly that 'The outcome of [caste] mobility and competition is not the demise of caste, but a renewed role for caste in a context of enhanced sectionalism' (2005: 321).

The role of caste in the economy is also the subject of several studies of particular business caste communities, of which David Rudner's, on the Nattukottai Chettiars of South India, is outstanding (see also other important works include Laidlaw 1995; Mines 1972, 1984; Timberg 1977).

Rudner (1994: 134) takes issue with Singer's presumption that business leaders needed to establish the kind of 'dichotomy between secular and transcendental realms [that] was the stimulus to Protestant ascetic individualism'. He shows that members of the Chettiar elite 'made rational use of economically "irrational" ritual' (1994: 135), and that the caste and religious institutions of the Chettiars created the basis for a powerful banking organisation.

Rudner's study shows how strong trust, which facilitates economic transactions, may be built up within business caste communities such as the Chettiars. A critical question, then, is that of whether such *specific* or *personalised* trust, developed within a particular group of people, provides the basis for *generalised* trust that runs through society as a whole. The economist J.-P. Platteau has argued that such generalised trust is necessary for an effective market economy, in which, the argument runs, it must be possible to trust strangers. Platteau is pessimistic with regard to South Asia, arguing:

[T]hese societies remain under the strong influence of traditional patterns of social relations, in particular the primacy of family and caste relations. Under these circumstances it is not surprising that rights and obligations associated with these patterns still tend to predominate over the rules and norms rooted in the *abstract individual* (as opposed to the *concrete person*) which are the typical products of western history (Platteau 1994: 797, original emphasis).

This neo-Weberian argument resonates with the work of the Indian anthropologist Satish Saberwal, who argues that because of the 'traditional autonomy of segmental codes [for conduct, related to differences between caste groups] the idea of extensively binding normative orders [across society as a whole, and] effective down to particular persons has been relatively alien to India's historical experience' (Saberwal 1996: 65; this argument assumes that what is ascribed to the West by Weber or, more recently Platteau, really does exist, rather than representing an ideal).

It is important that Saberwal says 'relatively alien', because there are 'binding normative orders' within the Hindu tradition and because, as Mines argues with reference to business people in Chennai, change is taking place: 'To a considerable extent the need to establish trust through enduring personal ties [often within caste communities] has been replaced by impersonal contractual relationships, law and governmental bureaucracy' (Mines 1994: 79). Yet change may not be quite as straightforward as Mines implies. Garrett Menning (1997: 63) argues on the basis of research in Surat (Gujarat) that 'In some respects it appears that the very strength of personalised trust . . . may have actually inhibited the development of other types'. The kind of trust that is strong is among groups of people

within specific social networks, and this has allowed the development of great business enterprises. This selective trust has to be relied upon when institutionalised sanctions and incentives are weak, as they are in India. But the weakness of institutionalised sanctions also has to do with the strength of selective trust, reflected in the problems of corporate governance.

At the centre of these is 'the culture of compliance', a boardroom culture shaped by traditions of deference, and of promoter control of boards within the great family businesses, a culture resistant to external scrutiny. Business families have always sought to retain control within a tight circle of kin and resisted the claims of what one of them⁸ refers to as 'explicitly stated principles and ethical norms'. But then, the lack of consistently applied principles in the external environment justifies or leads to reliance on selective trust in a kind of a vicious circle. The problem of business management in India in the context of economic globalisation is that of bringing about a change in the institutional framework and in business behaviour, but in a context in which these changes confront the culture of 'selective trust'. Change is taking place, but only against the resistance that derives from the strength of selective trust.⁹ Harriss-White (2003: 197) makes the same point with regard to the vast informal economy: 'Market exchange does not always lead to "contracts" replacing "custom" [while] contracts prove compatible with [and may need to be underlain by] a certain amount of custom'.

A note by way of conclusion

While the development of the economic anthropology of South Asia since Neale's Polanyian essay of 1957 has shown the severe limitations of his substantivist perspective, it has retained the central idea of the embedding of economic activity in social, political and cultural structures. Putting it a little more precisely, economic anthropology studies the inter-relations of formal institutions with the informal social order in which they are embedded, and hence it shows the importance for the economy of shared patterns thought and behaviour, or culture. At present in South Asia these commonly have to do with caste and religion; they are not satisfactorily explained by mainstream economics and they remain exogenous in the currently fashionable new institutional economics.

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Notes

1. Commander, in a historical study in north India, also concludes that 'jajmani bore, for the most part, a very dim resemblance to the pure model' (1983: 310).
2. It must be noted that there is a huge difference over most of South Asia, in terms of value and productivity, between irrigated ('wet') and non-irrigated ('dry') lands. Twenty acres of well-irrigated land is a really substantial holding; twenty acres of dry land may have little value.
3. Harriss-White (2003: 176) comments that 'Caste still screens access to employment in the agrarian non-farm economy', and refers to Jeffrey (2001) for Uttar Pradesh and to Jayaraj (2004) for Tamil Nadu. See also Heyer (2010), Lerche (2010: 72–3).
4. See the comparative work of Jens Lerche on labour relations in different regions of Uttar Pradesh (Lerche 1995, 1999); and for contrasting accounts from different parts of Tamil Nadu the work of Gough (1989) and Harriss (1982, 1991a).
5. Breman's is the classic study of patronage and agrarian production relations in India (1974, revised in 1993; see also Breman 2007).
6. See Breman (1974). A major study of the 'freedom' or 'unfreedom' of agricultural labour in India is Ramachandran (1990).
7. My studies of 'industrial leaders' in the same city in 2000, and of Singer's field notes, showed that he did not sufficiently recognise the importance of ritual and ecstatic religion for the businessmen (Harriss 2003a).
8. M.V. Subbiah of the Muragappa Group, at the Confederation of Indian Industry's 'Family Business Conclave', Bangalore, 2000.
9. My points about boardroom culture are supported in Banaji (2001). My argument (elaborated in Harriss 2003b) may seem to support Platteau (1994), but I think his approach misses the interrelationships of institutions and societal systems of values that I have described here.

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32 East Asia

J.S. Eades

East Asia (including both Northeast and Southeast Asia) presents a particularly complex arena for the investigation of economic phenomena by anthropologists for a number of reasons. First, many countries in the region have experienced their own versions of the 'economic miracle', with double-digit economic growth rates propelling some of them from the ranks of Third- to First-World countries. Second, this process has resulted in considerable economic diversity, both in production, exchange and consumption practices, and in levels of income. Economic growth has not produced uniform prosperity across the region, and even in Tokyo, the richest city in Japan, unemployed and homeless casual workers live rough in the major railway stations, underpasses and parks. Third, the region has also seen the impact of political ideologies, Stalinist, Maoist and capitalist, which have helped complicate the picture. Fourth, the literatures on countries such as China and Japan are now vast and the boundaries between disciplines have become increasingly fuzzy, as anthropology itself has become more interdisciplinary. Finally, Western anthropologists are finding that they are not alone: they are increasingly having to take account of the vast mass of research being carried out by local scholars and published in Asian languages as well as in English.

This complexity raises the question of how to cover the main themes and issues in the current literature in a chapter of this length. One possibility would be to divide the field in terms of the various theoretical schools within economic anthropology, such as rational actor, political economy, substantivist and cultural approaches, but the complexity of the subject matter means that the studies themselves are increasingly hard to classify in this way. It seems more sensible to concentrate on the main substantive issues that have been the focus of research in the last two decades, a period which has seen the rise and fall of the Japanese bubble economy, the continued emergence of China as a potential economic superpower and the economic crises of 1997–98 and from 2007 to the present. I begin, therefore, by looking briefly at the role of the state in these upheavals, followed by discussion of the environment, agriculture, migration, urbanisation, industrialisation, consumption and globalisation. I focus mainly on the literature on Japan and China, which have been the subjects of the greatest volume of research, touching on Korea, Taiwan and Southeast Asia as appropriate.

The state

From a global perspective, the most important feature of East Asia since the Second World War has been the spectacular growth of many of its economies, and there has been considerable debate as to the reasons for this. The seminal work was Chalmers Johnson's (1982) study of the Japanese bureaucracy, which eventually gave rise to a comparative literature and the concept of the 'developmental state' (as summarised in Woo-Cumings 1999). In Johnson's account, a talented group of bureaucrats steered the Japanese economy by controlling and channelling key resources, by providing informal guidance to companies through their personal networks and by maintaining a favourable exchange rate. This model has been applied to other countries of the region, with varied success: it is generally agreed that it fits Japan and Korea best, and that some elements of it can be applied to Taiwan (for example, Wade 1992), Korea (for example, Amsden 1992), Hong Kong (for example, Meyer 2000) and Singapore (for example, Schein 1996), though patterns of investment and administrative practices differ from country to country (Chiu and Liu 1998).

The underlying conclusion is that focused investment, a disciplined and highly trained labour force, and a stable political and economic climate are all necessary for this kind of high-speed growth to take place. Conversely, poor government is a major cause of stagnation in some of the poorer countries, such as the Philippines and Indonesia, with their 'bossism', 'crony capitalism' and 'Mafioso states' (for example, Leith 2003; Oh 1999; Sidel 1999). Needless to say, corruption and gangsterism are also rife in Japan (Herbert 2000; Hill 2003), but they have a less serious impact due to the underlying strength of the economy, and generally they have not resulted in the leaking of capital abroad.

The environment

Rapid economic growth has not been without its environmental costs. In addition to worries about soil degradation, air pollution, water pollution and the loss of biodiversity, there is now concern about the long-term effects of global warming and air pollution. Japan was the first country to experience major environmental problems due to high-speed growth, and by the 1970s the impact was severe. Eventually, industrial pollution resulted in localised outbreaks of serious illness which became the subject of legal action (McKean 1981), and of which the best known is Minamata disease, named after a town in Kyushu (George 2002). Japan has managed to mitigate some of these problems, partly by exporting some of the more-polluting activities to other parts of the region, but citizen protest over environmental issues has continued, particularly in relation to garbage disposal and landfill sites (Broadbent 1998; Kirby 2009).

This raises the issue of the link between environmental problems, politics and the nature of the state (Eades 1999). Given that the environmental records of authoritarian states such as the former Soviet Union and now China (Edmonds 1998; Smil 1993) are generally rather dismal, some predict that the emergence of a middle class will eventually lead to democratisation, environmental movements and policy change. However, as the example of Japan shows, large corporations are also important in democratic systems, and their environmental effects may not be particularly benign either. As the Japanese cleaned up the grosser examples of industrial pollution, the number of golf courses, resorts and dams steadily increased (Havens 1994; McCormack 1996: 78–112; Tabb 1995: 189–91), bringing other environmental problems in their wake. Other countries in the region are starting to experience similar problems (Hirsch and Warren 1998).

Agriculture

Since the end of the Second World War, the traditional rice economies of the region (Bray 1986) have been radically transformed, most notably in Japan. Land reform, the rationalisation of holdings, better infrastructure and new technologies resulted in a huge increase in productivity, while the revival of industry led to a mass exodus to the cities. Villages in many areas are seriously depopulated or, in extreme cases, abandoned (Knight 2003). Now farming in Japan is generally an occupation for the elderly, and much of the production is specialised and highly subsidised by the state (Mulgan 1999, 2004). One of the few hopeful signs over the years has been the villages that have succeeded in presenting themselves as tourist destinations, for instance in the skiing industry (Moon 1989).

China experienced its own post-war land reform under the Communist regime, but here process was much more violent than in Japan. Generally, the cancellation of debt and early forms of collectivisation brought about a dramatic improvement in living standards for many peasants, but also prepared the way for the ill-fated Great Leap Forward and the Cultural Revolution that followed. After the death of Mao in 1976, lessons from some of the more successful experiments from the period of turmoil were applied throughout the country during the Deng Xiaoping period. The result was the 'responsibility system', which devolved much of the decision making and control of the resulting income to individual households, leading to the gradual return of family farming (Kelliher 1992: 60–69). In one sense, this was a return to the petty capitalist forms of organisation which Gates (1996) argues has been the engine of the Chinese economy throughout history. The long-term effects of these changes are now well documented for various parts of the country including Guangdong

(Guldin 2001; Potter and Potter 1990; Siu 1989), Fujian (Guldin 2001; S. Huang 1989), Yunan and Hunan (Guldin 2001), Sichuan (Endicott 1988), Jianxi (Gao 1999), Shaanxi (Liu 2000), Shandong (Judd 1994), Heilongjiang (Yan 1996), Anhui (Han 2001) and the Yangzi Delta (P. Huang 2000).

Migration and urbanisation

One of the results of the increase in productivity in agriculture, combined with the increasing concentration of capital in the hands of the state, has been the increase in migration throughout the region. In Japan, the process of urbanisation was both rapid and complete. In China, on the other hand, rural–urban migration was long discouraged and controlled by the internal passport system (Solinger 1999; Xiang 2004), and it was only as the full effects of the Deng reforms were felt that this has begun to change. Studies of movement of labour to smaller towns and cities are also starting to appear (Garcia 2011).

In addition to rural–urban migration, there has also been considerable international migration affecting the region. Some of these flows are now historically well-documented, such as the Koreans in Japan (Fukuoka 2000; Ryang 1997; Weiner 1994) and various groups of Asian migrants in the United States (Zhou and Gatewood 2000). Labour migration to Japan has become a major policy issue with the declining birth-rate coupled with a ban on the import of unskilled labour (Komai 1995). Despite this, the number of foreigners in Japan has risen steadily, and there are a growing number of studies of immigrant groups throughout the country (for examples, see the volumes edited by Douglass and Roberts 2000; Graburn et al. 2008; Kee and Yoshimatsu 2009; Yamashita et al. 2007). Nevertheless, there has also been substantial illegal immigration (Loiskandl 1995), a casual labour force largely organised by the *yakuza* (the Japanese mobsters) with official tolerance alternating with occasional moral panics and crackdowns (Herbert 1996). The migrants present serious competition to Japan's own casual workforce, reflected in the problem of homelessness and street people in the larger cities (Aoki 2006; Gill 2001; Stevens 1997). One group of migrants who have been accepted legally are Latin Americans claiming Japanese descent (Tsuda 2003).

In East Asia as a whole, perhaps the most ubiquitous and visible group of migrants are those from the Philippines (Parrenas 2001). An unusual feature of this migration is the number of women working abroad as domestic servants, nursemaids or even going as brides in some rural areas in Japan (Faier 2009). At the margins, these roles shade off into those of entertainer and hostess, and women migrants, particularly from the Philippines and Thailand, are also to be found in Japan's night-life and

sex industries. Many of the women in Asia's sex industry come from the poorer regions of South and Southeast Asia, and they are passed from country to country by specialised recruiters and traffickers (Beeks and Amir 2006; Brown 2000). Thailand provides a major hub for the trade (see Bishop and Robinson 1998), and some of the women end up working there while others move on to the wealthier countries to the north. The ultimate force driving this trade is the gross regional inequalities of incomes: not everyone has cashed in on the Asian economic miracle.

Massive flows of migrants have also led to the growth of massive urban agglomerations of five million people or more, the so-called 'megacities'. In East Asia these include the Tokyo and Osaka regions in Japan, and the Beijing, Tianjin, Shanghai and Hong Kong–Guangzhou regions in China, together with Seoul, Taipei, Jakarta, Manila and Bangkok. In the megacities of developing countries, the main issues facing the residents are housing and jobs, and many find a solution in squatter settlements and the informal economy (Laquian 2005). Small-scale traders provide a flexible and low-cost distribution system for the larger companies, tricycle drivers provide a low-cost urban transport network and squatters provide themselves with housing at a much lower cost than is possible for the state. With rapid economic growth and increasing state control however, the urban landscape may quickly change, as squatters are replaced by state housing and workers increasingly move into wage labour or salaried jobs (Eades 2002). The cities of Japan, Korea and Taiwan, along with Singapore and Hong Kong, have already largely made this transition, while others in China are well on the way.

Industrialisation

In the post-war period, anthropologists in many parts of the world moved into the workplace, and East Asia is no exception, a majority of the best studies coming from Japan. The occupational structure of Japan can be broadly divided into the large flagship multinational companies on the one hand, and on the other the smaller firms, often based on family labour. Studies have included banks (Rohlen 1974), manufacturing (Turner 1995), transport (Noguchi 1990), department stores (MacPherson 1998) and advertising companies (Moeran 1996). A major theme in the Japanese literature has been the intersection of gender and work, whether in factories (Roberts 1994), offices (Ogasawara 1998) or more generally (for example, Brinton 1993; Hunter 1993). There have also been various studies of smaller production sites, ranging from traditional pottery (Moeran 1997) and Buddhist altar production (C. Eades et al. 2000) to light engineering (Roberson 1998; Whittaker 1997) and confectionery (Kondo 1990). There have been similar studies of the urban economy from Hong Kong (for

example, Salaff 1995) and China (Ikels 1996), where an important theme is the formal and informal regulation of private enterprises by the party and the state (for example, Bruun 1993).

Consumption

The study of consumption has been one of the largest growth industries in the economic anthropology of East Asia during the last twenty years. As basic needs have been increasingly satisfied for the urban populations, disposable incomes have risen fast and these have been spent on a variety of leisure activities, including sports, visits to theme parks, food and drink, including clubs and restaurants, fashion, makeup and sex. Clammer (1997) argues that consumption provides today's city dwellers with new forms of solidarity, as they are brought together by their consumption practices rather than anything else that they have in common. Some of the advertising companies have carried out extensive research of their own on these trends (McCreery 2000).

The importance of consumption is due to a number of factors. First, incomes have risen sharply, resulting in the formation of a new middle class (Chua 2000). Second, these forms of consumption are big business, and are integrated, packaged and marketed with considerable skill. Good examples are the Japanese conglomerates that make use of the synergy gained from their interests in real estate, transport and leisure to advance their position in all three, the most famous example being the Seibu companies (Havens 1994).

Third, consumption is the site of many of the most interesting processes of cultural production taking place in East Asia, relating to the media, tourism, entertainment, life-cycle rituals and even food. There are a growing number of case studies of Asian media (see Moeran 2001), but two of the fullest to date are Moeran's (1996) study of Japanese advertising campaigns and Kinsella's (2000) study of *manga* (comic book) production, both of which show well the relationships among artists, media companies and consumers.

As the world's largest industry, tourism is also an important site of cultural production (Yamashita 2003), which, in its heritage and cultural forms, involves a large measure of reinvention of tradition. Communities and governments in the region have seized upon these both as symbols of national and regional identity and as the basis of new tourist industries (Picard and Wood 1997; Yamashita et al. 1997). Meanwhile, theme parks have become not only huge businesses, but also cultural forms in their own right (Hendry 2000; Raz 1999). There is now an extensive literature on Japanese leisure (for general surveys, see Hendry and Raveri 2002; Linhart and Früstück 1998). Activities include sports, especially baseball

and football, the various night-life industries, ranging from karaoke and night-clubs (Allison 1994) to commodified sex (Bornoff 1991; Constantine 1993), which is linked to the traffic in women, as noted above.

Life-cycle rituals are also big business among Asian consumers, and the commodification has probably gone furthest in the case of weddings and funerals in Japan (Edwards 1989; Goldstein-Gidoni 1997; Suzuki 2000). Specialist companies have arisen, offering a total package either to the newlyweds or to the bereaved, and similar developments are now being documented for the other countries of the region with large, wealthy urban populations.

One of the most recent focuses of consumption research is food, with the volume edited by Cwiertka and Walraven (2001), Watson's (1997) survey of McDonald's in Asia and Jing (2000) on the changing eating habits of Chinese children. The consumer revolution is now underway in urban China as well (Davis 2000).

Globalisation

Globalisation as a concept became popular in the 1990s, though its meanings are varied. However, the international flows of information, capital and people are all central to it, with studies of the internationalisation of Japanese corporations multiplying including electronic components (Sedgwick 2007; Sumi 1998), retail outlets (Wong 1999) and banks (Sakai 1999). In the case of migration from China, more attention has been paid to the resulting business networks (Chan 2000) and the varied degree of assimilation in host countries (Hodder 1996), as well as the impact of these migrants on their societies back home (Watson 1975, 1977). A less welcome sign of globalisation are the increasing activities of international crime (Glenny 2009; Lintner 2002), including human trafficking, drugs, gambling, money laundering and political corruption.

Conclusions: the boundaries of economic anthropology

In this brief survey, I have barely scratched the surface of the vast amount of work on production, exchange and consumption being carried out in contemporary East Asia, which is increasingly difficult to keep track of. The boundaries of economic anthropology have eroded to the point that it is questionable whether it means very much any more as a disciplinary category. Given the nature of the literature, I suspect that in the future more and more university courses will be based on issues or countries rather than conventional disciplines, and so the focus will shift to interdisciplinary studies of tourism, migration, the environment and so forth in a single region or country. It no longer makes much sense to write about Chinese consumption, for instance, without reference to the wider political

and economic literature on China, given that the goods consumed are controlled largely by state policies, production units and retail channels. But even in the capitalist countries, economic behaviour is largely constrained by the state through planning, taxation, zoning, regulation of large and small companies, subsidies, import regulations and the manipulation of the exchange rate.

Whatever happens in academe, the signs are that the East Asian economy as a whole, and particularly that of China, will continue to grow rapidly in comparison with Europe and North America, resulting in more diversification, more change and, in some instances, more economic polarisation between the rich and the poor. Where the limits to growth might lie is not yet clear. An increasing shortage of energy due to pressure on world oil reserves, or a falloff in agricultural production because of air pollution or deteriorating climate, could spell serious trouble for the region as a whole in the future, and especially for China, by far the largest country. As the economic crisis of 1997–98 demonstrated, there is now a single global economy, and no single region is insulated from major events happening on the other side of the globe. The result of all this is that the only thing certain in the economy of the future is uncertainty.

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33 Towards an economic anthropology of Europe

Valeria Siniscalchi

In anthropology, Western economy commonly has been considered either as a model from which to break away or as a source of general laws of human behaviour, while the specificities of European economies have often been neglected. Paradoxically, there is no dearth of studies dealing with Europe, the topic of this chapter. A review of those studies shows a shift from attention to small, agricultural communities presented with little regard for their history and links to the larger world, to studies implicitly participating in processes of imagining Europe. Working on European economies today implies examining this entity called 'Europe' as a subject of research, an ethnographic object and a political object (Herzfeld 2008).

The 1950s: under-development and amoral familism

Amongst the earliest works on European countries that attend to economy, reference must be made to that of Charlotte Gower Chapman (1971, written in the 1920s) along with the better-known Edward Banfield. Both fall within Robert Redfield's (1930) perspective of 'modernisation theory' and 'community studies' in complex societies. The authors were sensitive to cultural traits, which they held to account for or perpetuate the hard material conditions of existence of 'Southern' societies in the region and their underdevelopment. In *The moral basis of a backward society*, Banfield (1958) analysed the cultural and moral conditions preventing collective forms of action in a commune in southern Italy, and in her work Chapman paints a similar picture. The inhabitants' economic actions appear to Banfield to be guided by the family group's immediate material interests, inhibiting the birth of a civic sensibility. People maximise the material advantages of their nuclear family and imagine that everyone else does the same. The ethos of what Banfield called 'amoral familism' influences the behaviour of social actors in all areas of their lives, of which the economic is only one.

Banfield's approach, then, entails a culturalist vision of economic action. Culturalism did not appear in his analysis of causes of amoral familism, but in his consideration of its capacity to reproduce the social and economic conditions in which it exists. This approach masked, rather

than shed light on, the variety of forms of kinship, political and social solidarity that existed when Banfield did his research. For this and other reasons, the notion of amoral familism would be heavily criticised (for example, Cancian 1961; Moss and Capannari 1960; Silverman 1968) but, paradoxically, it would reappear in works on southern Italy right down to very recent analyses, as if it were a kind of cultural constant that researchers must always address.

The Mediterranean years: from culture to political economy

The 1960s marked the constitution and consolidation of the 'anthropology of the Mediterranean'. Braudel's (1949) writing provided the frame of reference for this work, and opened the door to thinking of Mediterranean countries as an ethnographic field, above all as spaces of exchange and trade in a history of the *longue durée*.

In fact, the spaces were above all European, located particularly in southern Europe: Spain, Portugal, France, Italy and Greece. In the main ethnographies, societies were represented and analysed as homogeneous and relatively independent of their larger political and economic contexts, which rarely were taken into account. Thus, the foundations of the opposition between North and South in Europe, laid by works such as Banfield's, was consolidated in regional ethnography. The Mediterranean was Europe's internal, exotic Other, imagined as rural and backward (see Boissevain 1975; Herzfeld 1987; Kertzer 1997).

There are a number of similarities in the choice of fields and themes in Mediterraneanist ethnography: the opposition between town and country, landlords and peasants, models of social stratification and patronage, honour, property and gender. Values and cultural dimensions remained important, as demonstrated by the number of works dealing with honour and shame, and for most of those trained in British social anthropology the frame of reference remained structural functionalism. However, it is difficult to distinguish in these works a unifying theoretical approach to economic activity.

The heyday of works on the Mediterranean lasted some twenty years. *People of the Mediterranean* (Davis 1977) marked the beginning of the end, not perhaps of research on the region, but of the perspective that had permitted their amalgamation into a uniform ethnographic region.¹ During the same period, the attention of ethnographers shifted to Europe more generally (foreshadowed by Barnes's work on northern Europe, for example 1954), even though its relevance as an ethnographic region was being questioned on the grounds that it was an artificial creation with no real existence. In *Beyond the community*, Boissevain (1975: 11) stressed the need to go beyond notions that had hitherto guided analyses and 'trib-

alised Europe', such as reciprocity, equilibrium and consensus. This was equally true for economic phenomena.

Considering only research in Italy, Davis's (1973) work on the Basilicate region could be mentioned, as could Cole and Wolf (1974) on the Alps, Schneider and Schneider (1976) or Blok (1974) on Sicily and White (1980) on the Abruzzo region. Wallerstein's (1974) *The modern world system* was an explicit point of reference for some of these authors, and long-term history became a fundamental tool of analysis and explanation of social, political and economic configurations. For instance, in their analysis of the hidden frontier between Trentino and South Tyrol, Cole and Wolf (1974) attend to the relations among economy, ecology and politics, and pointed to the necessity of analysing practices and local ideologies in terms of the larger spatial and temporal dimensions in which they acquired their full meaning. Similarly, for Jane and Peter Schneider (1976) the cause of Sicily's economic underdevelopment and its political situation, including the strong presence of the Mafia, was to be found in relations of power, as were the inequalities created during the articulation of the island's economy with the external economy, including the long-term exploitation of Sicily's resources.

Since 1980: is an anthropology of Europe possible?

Analysing anthropology early in the 1980s, Ortner (1984: 126) shared Wolf's impression of the discipline as a divided field consisting of 'individuals and small coteries pursuing disjunctive investigations'. She thought that the Marxist framework that had dominated the preceding decade, particularly in economic and political anthropology, was spent. In her view (1984: 144), political economy had very often isolated the researcher from 'real people doing real things', by focusing on an external history that was taken to determine the lives of individuals. She saw the notions of practice and action (Bourdieu 1977) as encouraging more attention to the individual dimension of human action, not alternative to the study of systems but complementary to it.

If the process of imagining Europe as an ethnographic space had begun in the 1970s, it was only now that the anthropology of Europe seemed to be taking shape. At the end of the 1980s, but above all in the 1990s, it was clear that researchers had to consider questions hitherto ignored, and to take account of Europe's political extension and the accompanying processes of integration. Drawing on Grillo's (1980) work, Goddard et al. argued that the key questions for the anthropology of the region concerned state formation, bureaucratisation, industrialisation and trade, and that anthropology would henceforth have to plunge into the sort of territory Ortner stressed: 'the interstitial spaces between micro and

macro, local and national or the whole and its parts' (Goddard et al. 1994: 22).

The dimensions of practice, agency and power were recognised in different work dealing with institutions, bureaucracy, relations with the state and the distribution of public goods and services, primarily using the perspective of political anthropology. On the other hand, work in economic anthropology was fragmented (Siniscalchi 2002). Studies of corruption, the relations between legality and illegality and of informal aspects of the economy, intersected with work on gender, industrial operations and, later, with the economies of post-socialist countries.

The emergence of an anthropology of Europe, increasingly built on a political notion of Europe that included former Communist countries, made new oppositions important, such as East versus West, which led to a questioning of the very category 'Europe'. Far from being a neutral geographical space, it looked like a political category. Goddard et al. (1994: 22), from a Foucauldian perspective, said that it was clear that "Europe" is also a discourse of power: a configuration of knowledge shaped by political and economic institutions that are themselves embedded in the disciplines and practices of government'.

Using a similar perspective, Verena Stocke (1995) worked on the rhetoric of exclusion, reified notions of cultural identity and heritage, and their economic impact (for example, restricting the access of non-citizen immigrants to state resources). Such observations pointed to the necessity of shifting attention to migration flows and the creation of European citizenship (for example, work on Turkish migrants in Germany: Mandel 1994) and the circulation of people and things over long and short distances, which anthropologists of the Mediterranean had not tackled. Europe, then, needed to be seen not only as a discourse of power, but also as a discourse that produces real effects by contributing to the essentialisation, inclusion and exclusion of different sets of people.

Thus far I have sketched some of the main features of the development of an anthropology of Europe in the second half of the twentieth century. Now I turn to a consideration of three important themes in economic-anthropological work in the region. The first of these is peasants, property and resources; the second is informal networks and activities; the third is the circulation and consumption of objects, especially food and marketplaces.

Peasantry, property and resources

Even if the manner of treating agrarian communities has changed over time, since 1950 the peasantry has been the concern of a large number of anthropological works in Europe. Silverman (1968, 1975) analysed tenant

farming in central Italy and raised questions about the prevailing regional differentiation of the social forms of Italian agriculture. Especially, she challenged Banfield's culturalist model, arguing that differences between the centre and the south of the country were shaped by economic practices and factors.

Wolf reflected more broadly on the common features of the peasantry and on the elements that gave coherence to a 'peasant community'. He (1966: 10) argued: 'The term "peasant" denotes no more than an asymmetrical structural relationship between producers of surplus and controllers . . . [and] we must still ask questions about the different sets of conditions which will maintain this structural relationship'. The variety of conditions that underlay that structural relationship led him (2001) to deny that peasants are a 'class category' and to assert that, except in certain historical conditions, they were not 'closed corporate communities'. In work done with Cole, Wolf approached peasants in terms of their links with larger systems. The practices of succession, tenure and exchange that Cole and Wolf (1974) observed in two communes, one situated in Trentino and the other in Alto Adige, were best explained, they argued, in terms of the area's history of economic relations, links with the market and successive political structures in the region. This attention to peasants' larger context put Cole and Wolf at odds with Chayanov, whose theories were especially popular in the 1970s (for example, Sahlins 1974). He saw peasants as relatively isolated, independent of the larger society and unconnected with the market economy (see Cancian 1989).

The image of isolated agricultural populations as being in a balanced relationship with the environment that produced a degree of economic autonomy, dominated studies of mountain economies until recently (for example, Netting 1981; Viazzo 1989). For instance, the Alps had long been considered a 'magnificent laboratory', as Wolf (1972) put it, for studying the forms of people's adaptation to their environment from the social and economic point of view, because of strong constraints imposed by their environment and an isolation that is more imagined than real (see Burns 1963). At the same time, works such as Campbell's (1964) on the Sarakastans of Épire, or Rosenberg's (1988) on the French Alps, had shed light on the dynamism of stockbreeders and agriculturists in search of that balanced relationship, as well as on the importance of exchanges with the external world.

More recently, interest in migration and networks of credit and debt have led anthropologists to follow the path of historians working on these regions (for example, Fontaine 1993), and pay more attention to forms of circulation of work, wealth and debt than to forms of production. Thus, seasonal and temporary migration increasingly appears as the basis of

European mountain economies, and more attention is being paid to the diachronic dimension of seasonal rural migration (for example, Viazzo 1989). At the same time, the sort of history invoked in these works has ceased to be what Wolf or the Schneiders used. No longer attempting to explain modes of production in terms of relations of power and the history of capitalism, authors increasingly have been concerned only with the long-term history of social and economic exchanges in the area.

Besides the few works on European pastoralism in British social anthropology (for example, Campbell 1964; Friedl 1963), there are studies in other national traditions. These include works on Corsica (Pernet and Lenclud 1977; Ravis-Giordani 1983), Sardinia (Angioni 1989), the Alps (Aime et al. 2001) and the Basque country in the Pyrénées-Atlantiques (Ott 1981). These different works have some features in common. One is a Marxist approach to rural activities in terms of links among the practices of space, the organisation of production and the networks and logics of exchange. So, the capital constituted by a herd of animals is endowed with special features: it can be attacked (epidemics, robberies), but it can also increase and, as a means of production, it calls for an organisation of work characterised by specific forms of cooperation (for example, Ott 1981; Ravis-Giordani 1983). As well, the problems of managing common spaces (the commons) and the multiplicity of rights of use and the accompanying conflicts, are complex economic and political processes. For example, relations between farmers can be particularly tense (Campbell 1964), especially because of the need to adjust to market demands while keeping in mind environmental constraints.

More generally, the various appraisals of European pastoralism and peasantry have focused on the question of rights to and circulation of property. First, they have concentrated on the rights to goods or common spaces and the constraints on the exercise of those rights, as well as their advantages from the point of view of the management of resources and conflicts over them, as in the case of water destined for irrigation (see Wateau 2002). Next, they study forms of property (land, animals; see Busse chap. 7, *supra*), the transmission of heritage and the transfer of goods to women, which have been important in ethnographies dealing with European rural economies and, more recently, former socialist countries (see Hann 1998).

In most of the ethnography of Europe, the question of property rights is linked to kinship systems, reflecting the influence of models elaborated in other regions. For instance, Goody's (1983) work drew on analyses of unilinear descent groups in Africa. Although criticised (for example, Palumbo 1994; Pina-Cabral 1989), his arguments strongly influenced studies dealing with the relationship between kinship and the devolution of property.

Goody insisted on the centrality of cognatic kin links in Europe, while at the same time stressing the corporate characteristic of domestic groups. European ethnographies, as well as the work of historians, showed that a cognatic system and an agnatic one could co-exist, and that people could draw on both in their social identities, gender relations and economic relations (see Herzfeld 1985; Verdon 1991; Yanagisako 1989). As Wilk (1997: 30) pointed out,

[Households] are not things, objects . . . that can be easily sorted into objective types, but are instead fluid and changing groups of individuals, often without clear boundaries between members and non-members. They are structures of patterned human action, not items in a catalogue.

From the point of view of this chapter, it is important to retain Goody's emphasis on the economic dimension of kinship relations, which, he argued, are ultimately economic relations. At the same time, his focus on property devolution tended to essentialise kinship links, as in the idea that households are corporate groups, and tended to see households as concerned almost exclusively with the economic advantages of managing property rights. This diverted attention from the political and contingent dimension of property relations, for it paid little attention to individuals as social actors and to their multiple levels of social belonging.

Informality: work and networks

The individual, the individual action and the social actor who is capable of acting in a rational way are at the heart of the interactionist approaches of the 1960s, as well as at the heart of the anthropology of practice. These approaches influenced studies of economic activity in European countries, for they encouraged scholars to attend to networks and informal relations, including patron–client relations, and to the informal dimensions of production and work.

Networks and patron–client relations

The patron–client relation links two people or groups occupying different social positions: protection and favours flow from the patron, while services, loyalty and respect flow from the client. A system characterised by such relations is called either clientelism or patronage.

For a long time, patronage was considered a cultural characteristic of Mediterranean countries. Davis (1977) interpreted it as a political idiom linked to the control of resources, especially land. Other authors saw it as a system that mediated between local groups and the larger, encompassing system (Silverman 1975), some of them stressing the weak links between the locality and the larger economic system (for example, Schneider and

Schneider 1976) and others stressing the weak links with the larger political system, and especially the state (for example, Blok 1974). In addition, different scholars used different approaches to patron–client relations, some seeing them from a more interactionist perspective (Bailey 1971; Boissevain 1974), while others saw them from a more Marxist perspective, as an ideological mystification of economic relations of domination that masked and perpetuated relations of exploitation (Davis 1973; Li Causi 1993; Schneider and Schneider 1976).

The tendency to interpret patronage or clientelism as a political system meant that those working on the topic tended to ignore the body of classic, especially Anglo-Saxon, ethnographies that had described the economic dimension of such relationships. For instance, Davis (1977) argued that the form of clientelism changed with the resources and the context, while Pitt-Rivers (1961) maintained that friendship, in a relation of economic inequality, became the basis for a clientelist system. Boissevain (1974) also emphasised the economic dimension, though from a perspective that remained attentive to the creation of social networks: individuals can become ‘social brokers’ if the structure and dimensions of their social network permit it and if they are inclined to use their network to pursue their own interests. Social brokers are, then, a sort of entrepreneur, and mediation thus appears as an economic matter, in which capital is constituted by the broker’s social network and in which the broker seeks to generate value through transaction (Boissevain 1974: 158–63).²

Writers who approached patronage systems in terms of social networks saw these systems as involving much more than relationships that were clearly social, such as kin relationships. That is because these writers attended to where those relationships lead, principally to the market, to the state, to the larger context in which a particular set of people exists. At the same time, the lengthy debate on patronage and clientelism, which extended well beyond the Mediterranean and well beyond anthropology, left several questions unanswered. Can the notion of clientelism still help us understand European contexts and their local reconfigurations? Can that notion help us to discover new forms of intermediation and of clientelism, perhaps springing from the management and commercialisation of new objects or from the manipulation of new European political institutions? The study of existing models in the analysis of new reconfigurations of economies and local powers leads anthropologists to consider the relation between clientelist forms and illegal practices.

Factories, work and gender

Informal exchanges and forms of work have attracted those investigating small firms (Goddard 1996; Narotzky 2000, 2001), manufacturing firms

(Mollona 2009), moonlighting (Zinn 2002) and corruption and mafias (Haller and Shore 2005). Much of this work was inspired, directly or indirectly, by Keith Hart's studies of the informal dimensions of the Ghanaian economy at the beginning of the 1970s, and Hart (1973) observed that small-scale, informal production did not conflict with large-scale production, but instead complemented it (see Chen chap. 28, *supra*). The definition of the informal economy takes into account economic activities outside the organised, regular and permanent system of work. Smith (1989: 294) says:

[It consists] of those activities that capture resources by (1) increasing private access to community resources beyond the normative allocation; and (2) partially or totally evading public monitoring or entry into the general accounts as well as any obligatory or reciprocal corporate assessment (that is, tax) . . . The category includes any economic activity – production, distribution, and even consumption . . . that eludes, is discounted, or is ignored by the state's national accounting system.

Studies of the informal economy revealed what could be learned by attending to what happens at the margins of the formal rules that appear to govern work and exchange. For instance, some research on the informal dimension of economies deals with gender and women's work, which is often less visible both in ethnographies and in official statistics. Such studies focus on the back-and-forth movement between the formal and the informal sectors, as well as between different types of economic activity (for example, Holmes 1989). Aspects of this research echo some of the themes found in studies of peasantry, such as the relations among entrepreneurship, work and family forms (see Harris chap. 25, *supra*).

The considerable body of research on enterprises and industrial work is more diverse than studies focused specifically on the informal economy. Using a neo-Marxist perspective, those such as Goddard (1996), Narotzky (2001) and Mollona (2009) attempt to recast the categories of Marxist analysis from an ethnographic point of view, for instance by showing the variety of strata that are subsumed within the idea of 'the working class'. If we adopt Gavin Smith's analysis (2006), these works do not interpret informality in terms of supplementary potential or empowerment, in the way that Hart and others tend to do (for example, Yanagisako 2002). Rather, following Antonio Gramsci, flexibility, informality and elasticity can be seen in terms of both exploitation and coercion as well as the construction of consensus. These authors underline the contradictions of informality. Research in this area intersects with studies of the transformation of enterprises following the end of the planned economy in Comintern countries (for example, Müller 2007), of subcontracting (for example,

Smith 2003) and ‘delocalisation’ of firms with regard to Eastern Europe, of networks of businessmen (Papa 1999; Redini 2008) and of various capitalisms (see Blim 2000). In pursuing these topics, anthropologists are addressing research objects and topics that often extend beyond the geographical and political limits of Europe.

Market places, exchanges and food consumption: the circulation of goods

The notion of an informal economy has also been used in recent studies of forms of circulation that stand in more or less conscious opposition to market capitalism. These include ‘systems of local exchange’, ‘networks of reciprocal exchanges of work’ and systems of local, parallel currency (see Barbe and Latouche 2004). These alternative circuits exist well beyond Europe (see Boulianne 2006) and tend to emerge in times of crisis. These forms of cooperation or informal economic exchange have precise rules and means of calculating equivalents, a result of constant dealings with market rules and regulations. In pointing to the conflict between separation from the market and the adoption of market-like rules, anthropological studies of such systems echo points made in studies of former state enterprises following the end of Communist systems (for example, Müller 1991).

While the work just described points to the pervasive force of something like ‘rules of the market’, there is also work that raises questions about what those rules are and how much they actually influence conventional markets. For instance, Michelle de la Pradelle (1996) studied the Carpentras market with the objective of understanding the social exchanges taking place there. In her view, these exchanges hitherto had been understood only in economic terms, with its focus on supply and demand. She sought, instead, to approach markets in Europe as a specific ethnographic field, paying attention to behavioural rules and to the underlying symbolic order. In other studies, however, the economic dimensions are the focus of investigation. These include Garcia-Parpet’s (1986) analysis of the backstage of markets and the relationship between that and prices, and other studies that intersect with economic sociology, from the study of financial markets (Hassoun 2000; see Maurer chap. 11, *supra*) to work on the performativity of models in economic activity (Callon 1998; MacKenzie et al. 2007).

Similarly, challenges to the self-evident importance of economic calculation appear in works on the certification of food products, on forms of regulation and on processes of the transformation of produce into ‘typical products’. In particular, work on the creation of ‘typical products’ points to the importance of legal definition (Hermitte 2001), of marketing and the construction of markets (Lien 1997), and of conflict and power (see Papa

2002; Siniscalchi 2010; Ulin 1996). In spite of such work, however, this field is dominated by literature that sees typicality in terms of processes based on consensus. Similarly, while many agree that political dynamics are important in such activities, few actually investigate them. As Carrier and Heyman (1997: 355) observed for studies on consumption, these works tend 'to ignore or simplify inequalities and conflict'. This is unfortunate, as this field lends itself to analysis in terms of conflict and politics.

It is only by situating actors and their practices in the social, economic and political contexts in which they are embedded that we can understand the processes that shape these phenomena. An example of work that does this is Ulin's study of French wine co-operatives and the invention of a wine-growing hierarchy. Ulin (2002: 709) pays attention to the market, to family logics and to long-term tensions, observing that 'the process of communicative exchange, like the mark of distinction that differentiates wine, producers, and their labour, is constrained and enabled by relation of power'. The understanding produced by such studies allows us to raise questions about the negotiations and struggles involved in marketing food and in marketing the 'local', as well as about market changes, regulation and their relationship with European institutions.

Conclusion: alternative paths in Europe

This chapter has touched on only some aspects of the profusion of anthropological studies of economic activity in European countries, of the issues they address and of the research paths they have opened. Taking account of changes in the contemporary world is both a challenge and a necessity for an anthropology of economy. New economic spaces are emerging in the interstices of European societies and across Europe as a political fiction and instrument of power. This impels anthropologists to pay attention to the complex interlocking of economy and politics, to the ways of negotiating work and to the new forms of regulation that confront agriculture and small enterprises. Centres and peripheries are in constant change. If we are to understand economic activity in Europe, the creation of new forms of inequality must be included in our ethnographic framework, along with the *dispositifs* of the production of relations of power.

Notes

1. For a recent discussion on the possibility of considering the Mediterranean as a relevant frame of fieldwork, see Albera et al. (2001).
2. For an analysis of the relation between economy, politics and clientelism see Gribaudi (1980). For a recent analysis of the links between cultural dimensions of clientelism and illegal economies, see Zinn (2001).

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PART VII

THE CRISIS

Part VII has chapters that are different from those in the other parts in this handbook, so it calls for a more extensive introduction. Those other parts are intended to present the substance of economic anthropology by identifying important topics within the sub-discipline and laying out the main themes of work within them. This has two consequences. First, those other topics reflect the continuing, and evolving, work of economic anthropology as an academic discipline, contained in its models and theories as well as its descriptions and analyses. Secondly, and as a corollary, the chapters on those other topics draw on bodies of work of some historical depth.

The chapters in Part VII are not the same. They are concerned with the upheavals in financial markets, and economies more generally, that began late in 2007 and accelerated through 2008, often referred to as 'the crisis'. This has two consequences of its own. Firstly, the crisis is not a topic that reflects evolving scholarly work and interests in economic anthropology. Second, there is no body of work of any historical depth, by economic anthropologists or by anyone else, on the crisis, for the simple reason that not enough time has passed for such a body of work to accumulate.

Just as the subject of this part is different from that of the other parts in this handbook, so the approach of the chapters is different. They do not present a summary of what a number of economic anthropologists have said about one or another aspect of economic life or region of the world. Rather, they illustrate the ways that different economic anthropologists approach a single, albeit very complex, event: the sorts of questions they ask, the kinds of processes and institutions and ways of thought that they think are likely to be important. Thus, these chapters show how the orientations of economic anthropologists can illuminate an important event like the crisis.

In addition, they provide a picture of economic-anthropological knowledge at a moment in time, a stage in what may turn out to be the formation of another topic in economic anthropology. It is important to realise that much of the work described in chapters in the other parts of this handbook

emerged in response to events and processes that were something like the crisis. Those events and processes may have moved more slowly than the crisis has; they may have been restricted to much smaller parts of the world and affected fewer people; they may have been crises only to the extent that they shocked economic anthropologists out of their normal habits of thought. In those other crises, though, various anthropologists produced works that sought to make sense of what they saw going on around them, albeit what they saw in their fieldwork rather than in the newspapers they read and the television news that they watched.

That is, those anthropologists sought to describe what they saw in terms that captured important aspects of what their research revealed and that related what they described to the existing models and orientations within the subdiscipline. Sometimes the result was fairly straightforward: the crisis was satisfactorily explained by those models and orientations. At other times, though, the result was more profound: the modification or even rejection of elements of those models and orientations, and their replacement by new ways of thinking about people's economic lives.

There are, then, good reasons for including in this handbook a set of chapters that have distinctive aims and orientations. They illustrate some of the ways that economic anthropologists have sought to make sense of aspects of an important economic event. In that, they can help shed light on the crisis and on the ways that economic anthropologists approach things, as well as illustrating a stage in the development of a body of knowledge and a set of ideas that are part of the substance of economic anthropology.

34 Oligarchy and state capture: Soviet-style mechanisms in contemporary finance capitalism¹

Don Kalb and Oane Visser

In 1798, the Dutch United East India Company, the VOC, was finally dismantled and nationalised by the Patriots. That multinational corporation had become a symbol of corruption and oligarchy at the end of a long period of financialisation of the Dutch economy (Kalb n.d.). The Dutch now ridiculed the VOC as *Vereniging Ondergegaan door Corruptie* (a corporation destroyed by corruption). The Seventeen Lords who had run the enterprise since its inception, *De Heeren Zeventien*, had become synonymous with oligarchic closure and rot. Two centuries later, Simon Johnson, former Chief Economist of the International Monetary Fund (IMF), wrote *13 Bankers* (Johnson and Kwak 2010), about the current equivalent of those 17 Dutch lords, the small circle of financiers enjoying oligarchic influence over Wall Street as well as unparalleled influence over the finance nexus of the US.

The financial crisis that began in 2008 (hereinafter the Crisis) first caused a swift decline of the intellectual hegemony of neoliberalism. Subsequently, however, that dogma returned through the back door in the form of a ‘no-choice state austerity’, which used eternal truths about profligacy, vice and virtue, and diverted attention from the ways speculative finance caused the Crisis. Most policy proposals on finance have focused on imposing greater regulatory control and on the need for a new ethic within finance and society at large, inspired by sustainability, responsibility or ‘soft law’: most observers say that the incentive structure within the financial sector must limit excessive risk taking and short-termism.

While all this makes some sense, public discussion shows a dearth of new intellectual approaches that would enable a fresh, fundamental analysis of the trajectory of Western capitalism (see Blim chap. 36, *infra*). Public critiques remain firmly grounded within a pro-capitalist discourse, portraying excess as just an aberration from sound capitalism, which might only need stronger moral policing (see Guyer chap. 37, *infra*). Phrases such as ‘turbo-capitalism’, ‘casino capitalism’ and ‘jackpot capitalism’ have become common in mainstream publications since 2008, indicating that liberals have rediscovered that Adam Smith was concerned with

morality, not just with maximising utility. With a stronger fatherly hand and a bit more state, capitalism can steam ahead again. There is little scrutiny of how the twin processes of financialisation and globalisation are changing the system from within in ways that echo the decline of the United Provinces in the eighteenth century. These include accelerating social inequalities and tendencies toward oligopoly and oligarchy, producing state capture and public debt-peonage along the way.

We seek to encourage that scrutiny, though not by focusing on financialisation and globalisation, a task done well by Harvey (2010), the late Giovanni Arrighi (1994, 2000) and Kajsa Elkhölm Friedman and Jonathan Friedman (2008a, 2008b). Rather, we shall focus on what may seem the antithesis of modern capitalism, the planned economy of the Soviet Union. We think that the actual workings of the neoliberal, globalised economy on the eve of the Crisis, with its dominance of the financial sector, show striking resemblances with the Soviet economy on the eve of its collapse. In both, we see state capture by enterprises 'too large to fail', a large 'virtual economy' and shadow system,² the inability of supposedly competent public agencies to understand core economic and financial operations, the ascendancy of short-term orientations, and a combination of 'high science' and a 'mystification of risk'. Obviously, late Soviet and late capitalist systems are not the same. However, we suggest that analogous mechanisms of networked political power were playing out in the hidden abodes of both the state planning and the allocation of capital that are seen as the driving engines of the two systems. These mechanisms were flanked, as we shall see, by mythologies of science and endless growth, and the systematic cultivation of public silence, including the stifling of important forms of critical knowledge.

The common view of the Soviet economy as characterised by an all-powerful state was based on both criticisms and self-understandings under Stalin. Later Western scholars have shown that the idea of a strong totalitarian state was wrong, not only in the field of culture (Yurchak 2006) but also in the field of the economy (Verdery 1996). The Soviet economy was neither planned nor controlled adequately (Burawoy 1985; Grossman 1977; Kornai 1980). Rather, it was riddled with contradictions, ubiquitous negotiations, informality and a huge shadow system.

In contrast, the common view of contemporary financialised capitalism is the Smithian ideal of rational actors seeing anonymous market signals, making optimal decisions in the allocation of their savings and thus helping society to prosper by the pursuit of gain. While the rendering of Western economy is opposed to that of Soviet economy, we contend that the contemporary West shares with the Soviets a largely virtualised economy, informality, and shadow systems, cloaked by the public rituals

of high science that obscured comparable cognitive perversions among managers, bankers, rating agencies, analysts, Gosplan statisticians and politicians.

If, then, one looks beyond the discourse of Smith versus Soviet, market versus state, two fundamental and related similarities emerge: the weakness of horizontal countervailing powers brought about by the decline of a more complex ecology of institutions and discourses; and the absence of active democratic information, deliberation and control. This suggests that the edifice built on the ideological contrast of markets and hierarchies (for example, Williamson 1975) loses much of its significance.³ If this is so, then the problems underlying the Crisis are not located simply in the financial sector, or even in the economy as a whole, but in the structure of society. In fact, they signal a transition in the world system that will not be easy to manage, however much governments try to regulate the banking sector and curtail private and public indebtedness.

Informal structures in real economies

The common image of the Soviet economy is that it was headed by a powerful state that determined what enterprises would produce and how much. That image is wrong, for it ignores informal relations between planners and enterprise managers, who had substantial influence on the formulation of targets and prices. This led Imre Vajda (quoted in Nove 1980: 95) to speak of 'commands written by their recipients'. Berliner (1957) and Grossman (1977) demonstrated that the planned economy could not function without these informal relations, or, in fact, without the 'shadow economy' that helped enterprises deal with the 'despotism of the plan' (Burawoy 1985). Later studies have stressed that formal structures and informal relations were (and still are) densely interwoven (for example, Ledeneva 1998, 2006; Spoor and Visser 2004).

The informal influence of managers was enhanced by the large size of Soviet enterprises, with only one or a few companies producing particular products. In 1990, for instance, Soviet industrial enterprises were over five times larger than those in Western Europe measured by number of employees. The negative economic effects of this size have been extensively documented, especially with regard to the agro-food sector (for example, Lerman et al. 2002). Of course things did not start out this way.

Since the founding of the USSR, enterprises continually grew, were transformed into *kombinaty* and eventually were integrated into *obyyed-ineniya*, centrally-managed industrial complexes. When an enterprise performed badly, the standard remedy was to merge it into a more successful one, further increasing enterprise size and monopoly rents. Even managers who saw the perverse effects of this growth on efficiency sought

to enlarge their enterprises: a larger enterprise meant more prestige, more influence on the state and a better career (Kuznetsov 1994; Nove 1980: 82). This tendency to expansion was encouraged by the Soviet state intolerance of bankruptcy, based on the fact that large regions depended on the jobs and services of giant producers and that the Soviet economy and society needed the enterprise's products. This led to the 'state capture', seen as a serious problem in the USSR and its successors (for example, Woods 2006: 11).

However, as the events of the Crisis have revealed, the problem of 'too big, too complex, and too interconnected to fail' has not arisen only from the inadequacies of the Soviet economy. It appears as well in the West, especially in the financial sector, but also elsewhere (for example, the automobile industry). With the growth of the financial sector has come concentration through mergers and takeovers, a process that accelerated in the last decade. In most countries there are two or three big, integrated banks that control a majority of monetary transactions, and for their international investments they rely on a handful of Wall Street investment banks, which are arguably the engines of financialised and globalised late capitalism, the ultimate 'market-makers' (Augar 2005). There were five such banks, but the collapse of Lehman Brothers and the integration of Bear Stearns into J.P. Morgan reduced them to three, dominated by Goldman Sachs and J.P. Morgan, with their disproportionate influence over global banking and over the American state.

Although the extent of this influence may be unprecedented, the influence itself is not (Panitch and Konings 2009). Historically, J.P. Morgan served as the midwife of the Federal Reserve and as the anchor for the US financial system. In the last two decades Goldman Sachs has overshadowed J.P. Morgan, and since around 1990 a number of its executives have occupied important state positions, the most visible being two US Secretaries of the Treasury, Robert Rubin (1995–99) and Henry Paulson (2006–09). Influence and wealth have marched together. In the 1970s and early 1980s the financial sector never earned more than a sixth of total corporate profits in the United States; by 2004 it rose to over 40 per cent (Johnson 2009), based on levels of profitability three to four times that outside the banking sector (Augar 2005). Appropriately, pay and bonuses in the financial sector surpassed other sectors of Western economies, while the financial elite successfully lobbied for minimal taxes. Some objected, like the British investment banker Nick Ferguson, who pointed out that his income was taxed at a lower rate than was his cleaner's (Peston 2008: 20), but public debate and protest were largely fruitless. The fierce competition between global cities such as New York, London and Paris assured the continuation of low tax regimes for financial corporations and their specialists.

After the bankruptcy of Lehman Brothers, Western states decided they could not let any more large finance companies go out of business, for fear that the global financial system would collapse, taking the financial systems of individual countries down with it. The insurer of many of the novel financial products that were part of the Crisis, AIG, was the most important of these companies and had to be rescued the day after Lehman Brothers was allowed to collapse. In other words, the large investment banks dumped their greatest risks onto AIG, and AIG ended up dumping them on the US government. Similar processes occurred in smaller financialised countries, such as Switzerland, Belgium, the Netherlands and the UK, where the large banks were far more important for the national economy than any of the enterprises in the USSR. The banks in these countries were eventually saved not just by their home states, but also by the US government, through its support of AIG and through the Federal Reserve injecting \$1.2 trillion into the global system in order to keep it liquid (Morgensen 2011). The importance of US government support for these other countries is illustrated by the Netherlands. The largest bank there, ING, had a balance sheet almost three times the country's GNP, and in October 2008, it received substantial money from both AIG and the Dutch government (€10–20 billion each). The Netherlands and their banks were not alone. In 2008 the Royal Bank of Scotland got \$84.5 billion from the Federal Reserve, while the Belgian bank Dexia got \$58.5 billion (Morgensen 2011).

One central cause of this financial chaos was that the objective rationality that was supposed to protect Western finance turned out to be no more secure than it had been in the USSR. The scientific analysis of risk by rating agencies turned out to be nothing of the sort. The first implosion of the US banks in the course of 2008 was caused by what should have been the least risky assets on their balance sheets, the AAA rated 'super senior risks' (Tett 2009). This occurred because the models the rating agencies used, like the models the investment banks used, could not deal with the consequences of significant devaluation of assets, as analysts conceded. Equally important, the newer financial instruments at the heart of the Crisis had not existed long enough for modellers to have substantial historical data, so that their predictive models turned out not to be worth much.

These technical and statistical problems were matched by another, systemic problem. The rating agencies were an integral part of the system they were supposed to assess, rather than being the independent watchdogs of public imagination. Concretely, they were paid to rate financial instruments by the investment banks that sought to sell them. There were a lot of such instruments: by 2005 the rating of derivative products

accounted for half the earnings of Moody's, for example (Tett 2009: 119). Moreover, the investment banks wanted favourable ratings, and put pressure on the rating agencies to get them. Gillian Tett (2009: 119) writes that the investment banks 'constantly threatened to boycott the agencies if they failed to produce the wished-for ratings'. The rating agencies, just like the accountancy firms involved in the fraudulent Enron and WorldCom collapses of a few years earlier, portrayed themselves as agents of objective assessment, but in fact were part of high finance and were as much gripped by greed as any other insider.

In leading to firms being identified as too big to fail, the Crisis brought the fact of state capture by the financial sector into the open. In a few days' time and with no significant democratic deliberation, Western governments used hundreds of billions (and with these amounts, the actual currency is immaterial) to support the sector. AIG was nationalised, as were some of the bigger financial companies in smaller Western countries. Overwhelmingly, however, governments got very little control of the financial sector in return; nor, tellingly, did politicians openly press for it (though they pressed more in the UK and the EU than in the US). This was not surprising, as these were the same politicians and government officials who previously gave the banks free rein.

Echoing the US, in May, 2010, the EU spent €750 billion ostensibly to stabilise the euro and 'show solidarity with the Greeks' and other peripheral countries in the eurozone. A more jaundiced assessment was made by Karl Otto Poehl, former President of the Bundesbank: the money was spent on 'rescuing the [German and French] banks and the rich Greeks' (Spiegel International 2010). The result of the bailouts was high levels of public debt, and the rating agencies that had failed so willingly and profitably before the Crisis now threatened to lower the credit ratings of vulnerable governments, including the US, and carried out those threats. Finance capital and the bodies that serve it easily provoked competitive budget cutting in the West, as countries competed for liquid capital.

The events in Europe illustrate regulatory and state capture by financial capital in other ways as well. Instead of further fiscal and monetary centralisation and reform, the EU exhibited rising waves of nationalism and identity politics: the Greeks were corrupt, the Portuguese were dependent, the Irish were gamblers. As in the collapse of the Soviet Union, these politics diverted attention from the nature and effects of state capture by powerful interests (Kalb and Halmai 2011).

Except for the usual suspects, some left-wing academics (for example, Arrighi 1994, 2000; Sassen 1998) and critics of globalisation (for example, Hertz 2001), no one was thinking about state capture in the West. Institutions such as the World Bank apply the concept exclusively to

poor countries in the Global South and the countries of the former Soviet Union, characterised by a lack of transparency, corruption and dependence on a single crop, commodity or mineral. Johnson (2009) calls them 'banana economies'. We argue that the growth of finance in the West in the last thirty years has produced similar results: the reduction of complex and varied systems to increasing dependence on a single economic sector; the lack of transparency that comes when that sector gains power and prestige. The liberalisation of finance over the last three decades meant that big finance was increasingly allowed to write its own operating rules, in a Western echo of Vajda's Soviet 'commands written by their recipients'; or, as Willem Buiter (2009a), a former member of the Monetary Policy Committee of the Bank of England wrote, finance was 'almost a law unto itself'. This marked a regulatory capture (Kay 2009) that now looks like state capture.

Virtual economy

In both contemporary Western financialised capitalism and the closing era of the Soviet system, greed and corruption are presented as the result of individual failure. Of course there are immoral individuals, but greed and corruption are encouraged by systemic attributes found in both the West and the USSR: oligopoly, general short-termism and the growth of a virtual economy (in both senses of the term). In both systems, pressure for material expansion was thwarted by inadequate economic activity. In the USSR that was because the productive basis of the economy was obsolete; in the West it was because that basis had been turned into a transitory form of capital that could be liquidated as soon as a more attractive investment appeared (Ho 2009). In these circumstances, virtual production emerges, wealth based on paper.

As Nove (1980: 49, original emphasis) notes,

[the USSR was] obsessed with the future, being ever ready to sacrifice the present to it, as may be seen by the high rate of investment and the priority of producers' goods . . . But, paradoxically, *given* the adaptation of ambitious plans for growth, the choices made and decisions taken reflect above all immediate concerns.

Despite the ideological importance of *pyatiletki* (the five-year plans), both managers and officials increasingly focused on short-term performance. This was especially acute at the enterprise level. Sometimes, yearly plan targets were increased by central planning agencies at the end of the year to which the plan applied (Nove 1980: 40). Managers who could present themselves on paper as dealing successfully with such pressures

were rewarded with careers, which understandably led to the focus on the short term and the manipulation of numbers.

The focus on the indicators of performance, rather than on the substance, further stimulated opportunism, including corruption by whole enterprises. For instance, some firms produced more than the quota established by the planning apparatus (Granick 1954, 1960), but held the surplus in reserve, undisclosed. They could then declare it at critical times when they would otherwise be unable to meet the plan, or could barter it in the shadow economy for goods that were in short supply in official channels. These reserves are what Humphrey (1998) called 'manipulable resources', declared or hidden, used or not, to gain bonuses, personal favours or career security without the state ever learning the actual production capacity of the enterprise. 'Despite the many indicators, the actual state of affairs remained mostly obscure' to the planning authorities (Broekmeijer 1995: 81). This ignorance occurred at all levels. Just as central planners knew little of the real productive capacity of enterprises, so enterprise managers had limited knowledge of their separate units: employees had every incentive to hide their real performance and capacities. The result was that the Soviet economy looked more like a patchwork of shielded fiefdoms than an integrated, modern bureaucracy.

In Western financialised capitalism, the concern has not been with the production of workers and enterprises, but with the share price of companies and the profits earned on investments. The Western virtual economy took appropriate form, in prospectuses, business reports and stock exchange values. Corporations, dominated by financial interests, extended and multiplied their financial reports during the 2000s. While they used to make prognoses of profit per share and overall turnover, now they commonly felt obliged to predict these figures in detail for all their divisions. This spectacle of quarterly figures, analyses and predictions gave a strong incentive to design the Western version of Soviet 'manipulable resources' by way of creative accounting practices, such as Lehman Brothers' Repo 105, or outright fraud, such as Enron and WorldCom. This is made fairly easy in the West because profit, especially in the key financial sector, often depends more on the change in book value of assets than it does on actual sales. Not only are book values often based on complex accounting assumptions in a way that sales figures are not, they also depend on the ebb and flow of liquidity in a financial system shaped by big financial institutions themselves.

Mystification of risk

Perhaps the most destructive aspect of the virtual economy is the mystification of societal risk, which is apparent in both economic systems.

In the Soviet Union, enterprise managers and state officials, whose legitimacy depended on endless growth and who confronted the Soviet intolerance of bankruptcy, kept pretending that things were going well. The result was increasing economic stagnation, though increasing export revenues from oil and gas, and loans from the West, obscured this in the 1970s. However, by the early 1980s the level of debt of the COMECON countries was so high, and their outlook so poor, that Western banks began to refuse to provide additional loans. This forced state elites to start serious economic accounting, which ultimately led to the end of socialism.

In the West, and especially in the US and UK, declines in manufacturing likewise were obscured, in this case by increased international borrowing and the lure (and illusion) of financial expansion. As a result, levels of indebtedness and the associated levels of risk increased sharply in the 1990s and 2000s in the financial sector, and in society at large. However, the risk was socialised, so that, as in the USSR, key actors and institutions rarely were held responsible. What state producers brought about in the USSR was brought about by the financial sector in the West, as bankers, under steadily decreasing regulation, became highly creative in their efforts to parcel out, redistribute and hide risk. Both increasing the risk and hiding it was made easier by the shadow banking system. Credit derivatives based on mortgages had been introduced in 2001 and had been booming, but the risks and liabilities they entailed were shifted into 'off balance sheet vehicles', which, by 2006, were hiding some \$20 trillion in debt from public scrutiny, a figure that was rising sharply. Such vehicles allowed banks to appear to conform to regulators' requirements that their assets be no more than about 12 times their liabilities, even though actually they were 25–30 times. This hiding of risk, then, and the threat that it posed, was not the work of the already-tarnished hedge funds. As one hedge fund manager told officials at a G8 meeting in Washington in April, 2007, 'it is not us you should be worrying about – it's the banks! It is the regulated bits of the system you should worry about' (Tett 2009: 190–91).

The immediate trigger for the Crisis was the interest rate on subprime mortgages, which was going up at the moment that housing prices started to fall, driving mortgage holders into insolvency. It turned out that it was not only banks that were pretending to be more liquid and reliable than they actually were. The same was true of the house owners, who pretended to earn more income than they actually did. The old Soviet joke about workers pretending to work while the state pretends to pay them, got turned into borrowers pretending they can pay off their debts to banks that pretend they have money to lend.

Orthodoxy, modelling and public capture

The Soviet problems were so fundamental that they could not be corrected within the existing institutional framework, and the system notoriously made citizens complicit in the maintenance of the lie that all was well (Verdery 1996). This was not, then, just state capture; it was also public capture. In the West, the similar silence of society in the face of excessive risk taking and the capture of the state by the financial sector has a number of causes. Powerful lobbying by financial corporations may have bought government quiescence, but public quiescence came with the way that the orthodoxies of neo-liberalism, 'market fundamentalism' in George Soros's (2009) words, were taken over by state elites, regulatory agencies, the professions, the media and large parts of academia in the last three decades.

In both the USSR and the West quantitative alchemy, framed in opaque jargon, based in extravagant mathematical models and cloaked in the aura of high science, allowed endless manipulation by the high priests of economic growth and certainly served to humble and silence the public. In the Soviet Union, the realities behind the statistics were completely obscure and in fact depended on a process of 'iteration, bluff, counter-bluff and misinformation between planners and enterprise managers' (Kitching 2001: 69). In the West, since the middle of the 1990s the operations of hedge funds and banks were increasingly opaque as well. Statistical renderings and modelling were based on hearsay, guess and second guess. The ambitious Value at Risk models pioneered at Morgan Stanley (Tett 2009) may have looked impressive, but the sophisticated data covering an extended period of time that would make the models useful did not exist. This sleight of hand was made easier by the fact that Western regulators and policy makers were more naive than their Soviet equivalents had been. Key people in regulatory agencies kept believing and supporting the indicators and models of the financial sector. Alan Greenspan, Ben Bernanke and a host of others in a host of countries did their part to build the myth of precise and objective knowledge and control. As Bernanke, head of the US Federal Reserve, said in 2006, 'the management of market risk and credit risk has become increasingly sophisticated . . . Banking organizations of all sizes have made substantial strides over the past two decades in their ability to measure and manage risks'.

Public ignorance about state capture by big finance testifies to the pervasive influence of neoliberal thought and the fact that the mainstream media have lost much of their role as a critical fourth estate. The same privatisation, concentration and orientation towards short-term profit that we saw in the financial sector have reduced the news media's earlier, more complex ecology of information and deliberation. Powerful media owners such as Rupert Murdoch became important in the financial elite

and journalists lost independence. The result is that the financial press overwhelmingly was little more than 'a cheerleader of the über-capitalists', as the British financial journalist Robert Peston (2008: 14) described it. We are not suggesting that the Western press was as constrained as the Soviet, which faced an army of censors. However, and seemingly spontaneously, the media did play a comparable role, facilitating public capture by orchestrating silence and instilling ritual loyalty to reigning neoliberal mythologies. Signs of fundamental flaws in the system were presented as individual aberrations, rather than reason to raise questions about the mythologies (see Carrier 1997: 16–17).

Policy researchers and intellectuals also largely failed, dependent as they were on policy makers, those who had embraced those reigning orthodoxies. Public commentators increasingly were economists who were good publicists, often supported by consultancy fees from important people and institutions in the financial sector (Ferguson 2010). Their job was made easier by the way that the neoliberal orientation encouraged national publics to fixate on their own country's rank in the global competition tables of international economy, as if this were a sports event. This fixation in turn fed the popular myths of growth and competitiveness, weakened the power of the public (and particularly labour) *vis-à-vis* capital, and distorted basic perceptions of the global economy. Just as happened in the USSR, policy institutes ('think-tanks') and universities were caught up in this, for they became dependent on external funding and monitoring institutions that encouraged them to focus on questions of incremental social tinkering rather than developing critical, systemic insights. Increasingly, the dominant intellectual approach reduced society to an offshoot of the economic arena. Despite strong critiques, methodological individualism and methodological nationalism were displacing more complex, relational approaches in political science and sociology, not to mention economics itself. So, narrow, policy-oriented knowledge framed within the academic consensus was favoured over sustained deliberation by a variety of universities, research groups and intellectuals. The result is that the growing power of financial capital, power over both national economies and national governments, faced little sustained scrutiny.

Material circumstance was important as well in encouraging this acceptance. Turner (2008) has described how Western states and people had come to rely on low interest rates and the associated rise in house prices to compensate for stagnation in real wages (see also Harvey 2010). The housing-finance nexus in countries such as the US, the UK, Ireland, Spain, Greece and the Netherlands consistently added about 1 per cent to yearly growth. That paper wealth in people's assets made it relatively easy to keep wage stagnation among the general public, as opposed to those with

very high incomes, out of public debate. This indicates that civil dependency on and complicity with the dominant system, public capture, was not restricted to the Soviet Union. The mechanisms that produced it in the West may have been different, but the results were broadly the same. The extent of this capture is shown by the fact that Western policies touted as constraining the financial class and re-regulating the financial sector do, in reality, little more than secure the strength of that sector. They concentrate on keeping the financial system intact in its current form, and ignore the crucial, social side of financialisation: social inequality, oligarchisation, the diminution of the democratic power of citizens over the economy, whether in the declining core or in the expanding periphery (see also Reich 2010).

Conclusion

Through the twentieth century, the theoretical edifice of the opposition of market and hierarchy has been essential for liberal thought and its seeming opposite, classical state socialism. A comparison of late Soviet and financialised Western capitalist social forms helps us to think beyond that opposition. Over time, both systems appear to have generated opaque structures of power at the behest of, and dominated by, insider classes beyond public control. This has been facilitated by self-referential and mythological cognitive structures and public rituals, which have led to various forms of state capture and public capture, accompanied by deepening social inequality and increasingly open oligopolization.

The parallels between late Soviet and financial capitalist systems that we have sketched in this chapter are ironic. The fall of the Berlin Wall and the demise of the Soviet Union were widely celebrated in the West as the proof of the virtue of liberal-democratic capitalism (for example, notoriously, Fukuyama 1992), and the proof of the evil and impotence of leftist and statist thought. This celebration helped further liberate finance over the past few decades, further deregulate the West, further discipline national publics and further the influence of finance capital in the world. The Soviet collapse became the ultimate legitimization of capitalist excess.

The Western world would have done better to combine its celebration of the collapse of the Soviet system with a dispassionate investigation of it, untainted by Cold War rhetoric. Had this happened, and had Western societies looked at their own political economy in an equally dispassionate way, people might have learnt from the informal and opaque mechanisms, and the state capture, that were so much part of the Soviet fall. After that fall, and after the official Soviet rhetoric was abandoned, they were openly and unashamedly called oligarchy and kleptocracy. Dispassionate Westerners might have seen something fairly similar much closer to home.

Notes

1. An earlier version of this chapter appeared as Visser and Kalb (2010).
2. We use 'virtual economy' in two senses: first in the original meaning of 'virtual production' arising from the literature on the Soviet economy (see below); second in the meaning given it by Carrier and Miller (1998), as an economy of symbols and signs on paper and TV screens with an inevitably unstable relationship to a 'material economy out there'.
3. Thus, we argue that the perverse incentives and structural weaknesses observed in the Soviet productive system by authors such as Grossman (1977) and Kornai (1980) may be at work in the financial engines of neoliberal capitalism in its globalist phase as well, as Kornai himself (in Buiter 2009b) suggested.

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35 Anthropology – of the financial crisis

Horacio Ortiz

Because it is generally considered that the ‘financial crisis’ is ‘happening now’, looking at it from an anthropological perspective is a somewhat perilous exercise. Anthropology usually questions the evidence of everyday life, showing how the most obvious rules of practice are related to widespread implicit or even unconscious consensus and to specific social settings, histories and contingencies. In doing so, anthropology sets the everyday in ‘crisis’, shows that it can be much less self-evident than it seems. Yet, by this same process, anthropology makes the strange look familiar, more understandable, closer to ourselves. Establishing and then unsettling the distinction between the evident and the unthinkable, anthropology is an activity of social disruption as much as of bringing together. Thus, an ‘anthropology of the financial crisis’ could not simply take the crisis for granted without risk of losing itself. And addressing the financial crisis implies clarifying, reflexively, what, in anthropology itself, is already a gesture of crisis.

The word ‘crisis’ has multiple, often ambiguous, meanings. At the least, it implies that some sort of stability existed previously, and will exist again later. It may also imply, sometimes less openly, that something is not going well, often with technical and ethical colourings that may not be easily distinguishable. Thus, we must ask ourselves which are the social settings in which things that were considered ‘normal’ are now ‘disrupted’, from which social points of view this makes sense. This, in turn, demands that we ask ourselves how an anthropological perspective can develop in relation to these points of view. I will explore these issues in the following pages.

Whose crisis?

Financial professionals are often viewed as a homogeneous social group, even though anthropologists have extensively described many differences among them. Financial analysts, traders, fund managers, asset allocators, sellers of financial products, what is called the ‘front office’ in the financial industry, constitute the group of investors who act on behalf of clients who have entrusted them with their savings, mainly the middle classes of rich countries and private companies (Clark 2000; Montagne 2006). The financial industry of which these people are a part has held a central position

in the global distribution of financial resources, particularly in relation to states. The relation between state formation and global financial flows is a long and complex one, symbiotic and ambiguous yet marked by ideological debates and conflicts, the two processes being intimately intertwined institutionally and symbolically (Eichengreen 1996; Hart 1986; Polanyi 1944). Governments have, of course, been the official source of regulation that allowed the current organisation to develop in the period since the 1970s (Abdelal 2007). Contrary to the situation in the 1950s and 1960s, today states are not the major actors affecting prices and orienting financial resources. Rather, this central role is played by a web of banks and funds which affect the majority of trades, and by the rating agencies. Today, the financial industry seems to occupy the central role in the institutional distribution of resources worldwide, with front-office employees seemingly occupying the decisive positions.

Anthropologists could, then, consider the financial crisis as a disruption in the social hierarchy that establishes the employees of the financial industry as holders of the specific power to distribute monetary resources. As the expression 'studying up' (Nader 1972) would convey, this would not only imply that the anthropologist is somewhere 'down', but also that the crisis would be in a space that can be reached by going in one direction, up.

Yet, the image may be too simple. The changes occurring in the last few years may not concern the role of financial professionals as much as other social relations. Anthropologists and sociologists have shown that financial companies and employees engage constantly in a struggle for market share and profits, in which they often attempt to destroy each other (Abolafia 1996; Godechot 2007; Ho 2009). In the crises that have marked global financial flows in the last thirty years (see Blim chap. 36, *infra*), financial companies have proven their capacity to expose themselves to bankruptcy. The collapse of financial institutions since 2008, followed by mergers and acquisitions, can be seen as part of this activity. For all the nationalisations and state-backed restructurings that have taken place in some regions, the role of the financial industry has not been challenged in any fundamental way, even if new regulations have curtailed some activities, such as proprietary trading or hedge funds.

On the other hand, the fragility and collapse of many major financial companies has allowed less-powerful actors to become stronger. This is the case of the major Chinese banks, which became, during 2009, the most heavily capitalised institutions in the financial industry. As well, the Chinese, Brazilian and Indian governments became stronger, as their economies experienced sustained growth. This is especially true of China. The Chinese state has become the biggest lender in the world, and the

main Chinese rating agency considers the Chinese state a safer investment than the US, which the Chinese government blames for its ‘unsustainable’ indebtedness.

Yet, some things seem not to have changed that much. Most global credit is still directed to the economic activity of rich countries and multinational corporations, while whole sections of the world remain in dire need of long-term investment in basic infrastructure. While progressively more funds are being channelled to Indian, Brazilian and Chinese multinationals, and while some poor states that previously were heavily in debt have accumulated reserves, the main patterns of inequality in access to credit do not seem to have changed as dramatically as the ownership and capital structure of some large American banks.

What has changed considerably, what has remained almost the same, what is a disruption, what is a slow movement only now becoming apparently inexorable, that depends on whether one looks, or not, for a crisis. While major Chinese, Indian and Brazilian policies have not been seriously affected since 2007 (Reddy 2009; Sheng 2009), and while most of Africa, Latin America and Southeast Asia continue to experience a lack of funds (Helleiner 2003; Stiglitz 2006), governments and financial companies in the US and Europe see themselves as having to deal with the biggest crisis since 1929, raising the spectre of the Great Depression and the military conflagrations that ensued. Up, down, east, west, north, south, back in history, towards the future – the anthropological gaze is not simply obliged to circulate through all these destinations in order to draw a map of a multifarious crisis, but it has to acknowledge that not just the definition of ‘the crisis’, but even the assertion of its existence, is contested territory.

The resilience of financial imagination

The major bureaucracies that organise the global distribution of credit claim legitimacy in large part by asserting that they are experts with certain tools and techniques (Clark and Thrift 2005; Ho 2009; Ortiz 2008; Zaloom 2006). While their role has not changed dramatically since 2008, the way that they frame the understanding of what financial flows are is fundamental to the way a crisis in these flows is understood more generally (see Guyer chap. 37, *infra*).

In their formulas and procedures, finance professionals in the financial districts of Johannesburg, São Paulo, New York, Paris and Tokyo mobilise a common set of concepts that are linked both to the definition of market activity in liberal philosophies (Ortiz 2009) and to what could be called a scientistic conception of the relation between representation and reality (De Goede 2005; Maurer 2002; Ouroussoff 2010).¹ Thus, any

object of investment will be defined exclusively from the point of view of a 'free' 'investor', who owns capital and can engage and disengage from any credit relation at any time. His (and most of them are men: Ho 2009; Roth 2006; see also Nelson 1998) investment objects are considered to have a 'fundamental value', the discounted value of the future revenues they should yield, a 'relative value', their ranking in relation to the fundamental value of other comparable objects, and a 'market value', the price of the object in a market at a specific time and place. According to the concept of 'market efficiency', which underlies contemporary financial theory and most economic theory, if markets and investors are free, investors only transact if, after analysing all available information, they consider that the price being asked for the object reflects an acceptable potential for gain. Thus, prices are said to 'reflect' all available information, so that they work as a signal that tells investors where to allocate their money. In such a situation, therefore, fundamental and market value are equal. Investors are free because they can always decline an object of investment, and instead invest in an object that offers the 'risk-free' rate of return with which they compare it. This rate is defined as the interest offered by the richest states, considered never to default (Pradier 2006).

These fundamental concepts of financial imagination lead to several controversies. Since fundamental value is defined from a long-term perspective, while market value actually changes with almost every transaction, they can be said to be 'detached'. Markets, then may, not be completely efficient. If, however, markets are efficient, then prices already reflect all available information. Since, by definition, future information cannot be foreseen, prices move 'randomly' and the only rational option is to invest in the whole market. That is because this reduces the effect of the uncontrollable movements of each individual asset, as they are now part of a bundle, often represented by an index. In that case, it is useless to carry out fundamental valuation, since a single investor cannot be more efficient than the collection of investors whose valuations lead to the market price. The case for fundamental valuation thus involves the tense assumption that markets are currently not efficient (otherwise it would be a waste of time to carry out fundamental valuation), but that eventually they will be efficient. If this assumption is accepted, fundamental valuation allows for a gain: if the current market price is below (above) fundamental valuation, buy (sell), as it will go up (down) to the 'true' price, once market participants absorb all available information. Equally, if markets are *never* efficient, fundamental valuation also would be useless, and investors should do what Keynes (1936) decried, attend only to the valuations made by other market participants.

With the notable exception of the risk-free interest rate, these under-

standings belong to the liberal intellectual tradition, which affirms free markets as leading to the optimal social allocation of resources, because they allow investors to exercise the political freedom of private property. In financial theory and practice, these concepts go along with an idea from the philosophy of science. That is, that the mathematical rules of probability describe reasonably accurately the way that the material world works. There are strong and recurring debates in mathematical finance about the assumption that prices behave like natural phenomena, with a normal distribution of singular events around a mean that is stable in the sufficiently long run.² All parties to these debates, however, accept the idea that prices, like numbers, fundamentally represent a reality outside of themselves (Lépinay 2007; MacKenzie 2006, 2010; Maurer 2002; Muniesa 2007; Ouroussoff 2010; Tett 2009). The assumption of market efficiency is, then, partly legitimised by the scientific aura of the theory of probability, the union of both having earned the theorist behind index investment a Nobel prize (MacKenzie 2006).

These concepts carry divergent assumptions about the temporality of value and investment. The investor defines value in an instant present, that of the moment of valuation, but considers fundamental valuation by looking at the long-term, potentially infinite, continuous time of profit making (Maurer 2002; Miyazaki 2006). However, when that investor takes into account market value, notably under the condition of market efficiency, the temporality of that value also is of a long term, since the market only works as an institution sustainable in time, although that time has a discontinuous character, defined by each interaction that occurs within it. This disruption of continuity springs from the social interactions that constitute market relations. Finally, all objects of investment are defined in relation to risk-free interest rates, which are founded on what is assumed to be the infinite temporality of sovereignty. Contrary to the market's indefinite time, however, the indefinite time of the state is continuous, for if risk is to be zero, it must be so continuously, at all times.

These concepts and their tensions are mobilised in things such as the weighted average cost of capital (the basic discount rate used to compute the fundamental valuation of stocks; Ortiz 2008), the Black and Scholes formula to value options (MacKenzie 2006), the fundamental 'cash-and-carry' formula to value any kind of futures (Maurer 2002) and the use of probabilities in the evaluation of credit derivatives (MacKenzie 2010) and of companies' defaults (Ouroussoff 2010). In other words, they are used to define the variables and numbers used by financial professionals worldwide when they issue their opinions about value and carry out their decisions about investment.

They are also part of the definition and justification of those procedures

themselves. Most financial investment is based on tracking an index while allowing fund managers a margin of 'personal' fundamental valuation. Hedge-fund managers may deny market efficiency in order to justify their speculation or, on the contrary, invoke it in order to justify their 'correcting' effects on market prices through arbitrage. And the development of software-based index-tracking funds would be taken for gambling and probably made illegal if it were not for the assumptions about market efficiency and the representative power of numbers used in probabilities (De Goede 2005; Zelizer 1979). In marketing documents, in everyday professional practice, but also in the media and in political discourses about finance, the activities of the financial industry are thus constituted by different points of view concerning 'market efficiency', the cognitive capacity of 'investors' and the methods to render numbers 'representative'.

If crisis there is, it has not touched the financial imagination that frames the practices of financial professionals, defines their procedures and the legitimate controversies within them. But this imagination is important when dealing with the crisis, because it also frames the way the crisis itself is defined and discussed.

Anthropology and the financial crisis

As any field research inevitably shows from the start, much of what is assumed by the current, mainstream financial imagination is strikingly symbolic and difficult to treat as immediately observable practice (Carrier 1997). Financial markets are complex social organisations, where most of the participants are employees authorised only to operate with funds that do not belong to them, in a network of companies the entry to which is very restricted socially. These employees are not, then, free, with opinions expressing their inner free wills. Rather, if they want to keep their jobs and bonuses they must follow standardised and detailed procedures of valuation and investment. While the investors and the efficient markets are in all the procedures and the formulas, they are the 'intentionality' (Foucault 1976) and the 'world' that give direction and meaning to the calculus, within the set of more or less theological assumptions about the representative power of numbers and the laws of probability. The power of these narratives to account for financial practice, in spite of the distance between the liberal utopias and the bureaucratic procedures that are supposed to realise them, is found also in the framing of what a 'financial crisis' would be, just as they have framed the multitude of financial crises of the last thirty years.

Most discussions concerning the crisis within academia, the media and politics consider it as a problem occurring within the market mechanism, disrupting its capacity to be efficient: a question of impediments for a

proper use of information in order to duly assess risk or value. This, in turn, frames what the cures to the crisis should be, which usually fall within a general call for more ‘transparency’.

Within expert financial circles, there are technical debates about the technologies that were used to evaluate the probabilities of default of credit derivatives, as more conservative estimates would have prevented their massive creation and, especially, their concentration in the balance sheets of major banks. Thus, from this perspective, the cause of the crisis and its cure lie in the methods necessary for numbers to effectively represent the naturalised reality of value reflected in prices.

A different argument consists in identifying a ‘rotten apple’ within an otherwise well-functioning system of efficient markets. Rating agencies, some bank departments, some professions, some individuals, may not have behaved in a maximising way representing the ‘investor point of view’ of their clients, but instead have pushed things to the abyss in the search for their personal gain. Following this argument, the cure for the crisis would come from dealing with the bonus system, by protecting banking from riskier activities, as the Glass–Steagall Act used to do, or by creating rating agencies that would be free from their dependence on fees, as European and Chinese governments have proposed. In some forms, this argument is simply based on a moral accusation of fraud, as though it were only deception that could make financial markets inefficient. In more sophisticated forms, it often mobilises the ethical argument that the distortion comes from ‘greed’ (Kitner and Kuriyan 2009) or undue speculation, akin to ‘casino’ gambling (Cassidy 2009; Zaloom 2010). This may sound paradoxical, since the investor’s search for gain should maximise return, but the paradox is resolved by confronting the multiple temporalities available in financial imagination. Thus, it is still good that employees’ remuneration be linked to ‘performance’, so that they indeed act as investors when they make the investment decisions that will benefit their clients, but this link should be in ‘the long run’, although a long run that is short enough for the employee to think it is worth the effort.

For others, the expansion of credit derivatives was directly related to the way that they were used to avoid the regulatory limits imposed on credit expansion while staying within the rules. From this perspective, the crisis is, then, one of regulation itself: bad regulation led to inefficiency and better regulation should compel financial professionals to do more accurate evaluations, leading to more-efficient markets. Some would even consider that the crisis was not really a crisis. The ‘mistakes’ in the evaluation of credit derivatives, and indeed of the US banking system, are only steps in the trial-and-error movement of prices, and it takes time for markets to reach the ‘true’ price. In the long run, then, there would then be no need

to regulate more. Rather, we need only allow the market mechanism to be even freer and more efficient (Maurer and Elyachar 2008).

Finally, there are arguments that we need to do away with the 'efficient market' approach, which, in producing and reproducing inequalities, is actually inefficient. For those with no access to credit before and after 2007, the crisis has already been happening, all the time. The crisis, then, is the system itself, which could be called, for instance, 'capitalism'. Usually those who make these arguments face the challenge of producing a new ontology and devising new, ideal ways in which to match, and thereby replace, the system that they see is the producer of crisis (Robbins 2009).

Thus, while most understandings of what the crisis is about are framed within the dominant financial imagination, the approaches that step out of this frame still accept its basic assumptions, that there is a system and that is in crisis. The debates are, thus, still framed by the liberal market approach, which developed more generally as the legitimate political discourse since the 1970s (Carrier 1997). As I hinted at the beginning of this chapter, it is in fact difficult to enter a discussion about the crisis without accepting at least some of the current assumptions that define what financial flows are and what in them has been disrupted.

As Bill Maurer (chap. 11, *supra*) recounts extensively, anthropologists and other social scientists have developed approaches, concepts and ways to do research that address many of the causal chains developed in the different accounts of crisis that I described above. Some have analysed the contracts and calculations that define financial objects, whose effects on distribution and exchange can be traced as they move between hands or computer screens (Lépinay 2007; MacKenzie 2006; Muniesa 2007), often clarifying the presuppositions that these narratives and tools entail (Knorr Cetina 2005; Maurer 2002; Ouroussoff 2010; Zaloom 2006). Others have stressed the importance of social organisation in the ontologies mobilised by financial professionals and their distributive results (Ho 2009; Ortiz 2009). The effects of global financial policies and flows on those most lacking access to credit have, moreover, been a privileged field of anthropological research for a long time. There are, of course, still many fields to explore, as anthropologists increasingly engage in interdisciplinary exchanges on these matters and learn the techniques employed by the people they seek to observe (Maurer and Elyachar 2009).

Anthropological research has consistently shown that the distribution of resources in social groups often sets in motion and organises social hierarchies, which are also concerned with the monopoly of physical violence, the legitimate manipulation of religious concepts and rituals, and the content and invocation of social identities such as gender, age and even the fact of being a member of the group itself (Hart and Ortiz

2008; Mauss 1995 [1923–24]). This may be true today, as the parlance of a crisis is linked to a vast array of justifications, critiques and explanations within more or less open political conflicts concerning the distribution of resources.

Anthropological discourses that develop only one of the many possible approaches, favouring one set of causalities against others, may enter this terrain of debate favouring one of the points of view. For instance, stressing the importance of formulas may veil the role of social hierarchies, while stressing the role of monetary incentives or ‘human resource management’ could, in turn, lead to the idea that the rest is ‘mere’ technique. Concentrating on financial professionals may lead to forgetting the role of states and people’s everyday uses of money and credit. Analysing a single location or moment, such as the crisis, may make us forget the global dynamics that have been at play during long historical periods. Trying to see the crisis from the perspective of a social identity that is one’s own may not only create too narrow a perspective within a debate that is today global (Ortiz 2010), but may also appear as flatly partisan. We risk thinking that because we uncover something, it is also the invisible cause of the crisis, thereby accepting unquestioningly the existence of the crises and the more profound processes that are invisible from the perspective of the current financial imagination.

Conclusion

It may thus be important for us to clarify our own distinctions between the evident and the implicit, the conscious and the unconscious, the legitimate and the hidden, the possible and the impossible. Yet, when realities are redefined and social relations are challenged and transformed, it may be hard for anthropologists to find their own position from which to draw such clear lines. The anthropological gaze, as it puts the ‘everyday’ in ‘crisis’, usually does so without a firm ground, but rather slides between the implications of its descriptive concepts, the accidents and discoveries of fieldwork and the negotiations of multiple allegiances at the time of writing (2011). By doing so, it opens the imagination to possibilities previously unforeseen, building bridges over gaps that may not yet have been visible (De Certeau 1990 [1980]). In spite of, and through the resilience of, the hegemonic financial imagination, the crisis sets in motion public searches for meaning (Guyer 2009, chap. 37, *infra*), for ‘reinvented faiths’ that are as much about the unknowable as they are practical engagements with that which seems to call for resolution (Maurer 2010). They may be taking us to positions as yet unknown that we will need to build as we invent our own selves in a global political space (Hart 2000, 2007). As it embarks on this process, the anthropology of finance may need to rethink

the moving ground on which it slides. This, at the same time, would allow it to define that which it can bring together.

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Notes

1. The niches that develop divergent conceptualisations, such as Islamic finance and ethical or socially responsible investment (Maurer 2005), themselves highlight the mainstream character of the processes that I discuss here.
2. Usually, manuals consider variations in stock prices since the beginning of the twentieth century, as though their evolution had something in it that remained the same as it passed through two world wars, the Great Depression, the Cold War, the big financial reforms of the 1970s and 1980s and the associated rise of pension and mutual funds.

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36 Economic crisis, 2008: what happened, what can be learned about how and why, what could happen next

Michael Blim

After a deluge, even the most sanguine of scribes succumbs to magical thinking. It is as if treating a ruinous storm as an accomplished fact were an act of hubris and likely to trigger even more misfortunes. Unlike Odysseus, we lack the confidences of Athena. No godly omniscience dictates the beginnings or ends of a crisis such as the economic crisis that began in 2008. No analytic abilities, machine or human, can gather all of its component facts, and no one can hope to construct an explanation that accounts for all of the facts, their causes and consequences. More to the point, coming up with wrong answers to the what, why and how of that crisis could be dangerous to the economic health of millions.

Anthropology's role in understanding an economic crisis of this magnitude is highly ambiguous. For the most part, we do not practise a science of prediction, and so an estimate of where the world economy is off to next lies outside our brief. Rather, we are sometimes like the vulcanologist who records a tremor. We can make note and call attention to a possible trend, but our findings tell us little about whether people somewhere should be shielding themselves from 'the big one'. As our explanations have migrated from ethnologic to ethnographic, we possess fewer and fewer tools for normalising local facts within a world economy. To change the image, we are like the climate scientist who can explain species extinction by a change in a local eco-zone, but is constrained precisely by the data's particularities from formulating a theory of global climate change.

Our capacity to provide useful knowledge of the crisis thus suffers a priori from limits that arise from our historic scope and method. Yet anthropologists possess undoubted strengths. We may be waved off for problems of generalisability, but outsiders see us as singularly talented in describing the context, organisation and reasons for economic action. Pitch the terms 'Malinowski' and 'Economic Man' into Google Scholar, and 11,000 hits will come back at you in less than a second. Alfred Marshall may have taught economists to graph, but Bronislaw Malinowski in his careful study of *kula* exchange among the Trobrianders taught investigators in all sorts of social sciences the value of meticulous field study and

theoretically thoughtful investigations of concrete cases. As Carrier (2009: 21–3) points out, though the outside world praises the *kula* case for its peculiarity when compared with modern markets, Malinowski actually renders the natives and their embedded economic practices less distinct as he reduces rational distances between the Trobrianders and us.

Anthropology's contribution to understanding the economic crisis that began in 2008, I shall argue, can be interesting if it fulfils two Malinowskian conditions. First, methodologically, undertake exhaustive case studies because they can have lasting intellectual value. Second, theoretically, pursue people's economic reasons because there is some prospect of being able to assemble the canons of their beliefs. The corollary to the second point is that people's beliefs matter.

Let us take the last condition first, and apply it to what economic experts say happened in the crisis, and the reasons they propose for why it happened. Then I shall provide some suggestions about what kinds of case studies might be undertaken, given the experience of anthropologists facing the earlier protracted economic crisis of the 1970s.

Analysis and critique of what the economic experts say happened in 2008

Perhaps the only saving grace of the economic crisis of 2008 is that is producing some very important and searching work. I cannot discuss all of the analyses available, but I shall provide a critical perspective that, I hope, is useful for setting a baseline for interesting future anthropological research.

The most striking intellectual response to the crisis has been to normalise it (see Guyer chap. 37, *infra*). Orthodox economists stress the impacts of cheap and abundant money and speculative bingeing on the business cycle, a classical and neoclassical complaint since the days of Adam Smith and John Stuart Mill. More internationally minded equilibrium theorists such as Martin Wolf (2008) lay ultimate blame for the crash on the massive international imbalances in savings and debt. A Chicago School economist, Raghuran Rajan (2010), also begins with international imbalances, but implicates US government support of universal home ownership as the proximate cause. From a microeconomic perspective, Robert Shiller (2008), Mark Zandi (2009), Bethany McLean and Joe Nocera (2010) and Gillian Tett (2009), the last an anthropologist by training, have focused on the malfunctioning of the real-estate markets and the banks as the cause.

Joseph Stiglitz (2010) pins the crisis on America's devastating deformation of capitalism itself, and argues for a massive Keynesian reordering of our political economy along with specific regulatory reforms designed to increase fairness for consumers. Paul Krugman (2009), like Stiglitz, argues for massive Keynesian effective-demand measures to meet the emergency,

but believes less that capitalism is deformed than that economists and policy makers have learned nothing since the onset of global economic crises in the 1980s. Their interventions, Krugman maintains, remain ideological, slow and largely ignorant of both Keynes and the generation of economists who adopted his pragmatic, as well as quantitatively gratifying, style of analysis.

Political economists of the left often incorporate a theory of cycles in their explanations too, but typically they insist on linking the crisis of 2008 to crises past and to come. For those left of centre, economic crises are capitalist crises, causes and effects in its destructive historical trajectory. After exploring the best that the orthodox economic tradition has to offer, I turn my attention to Giovanni Arrighi and David Harvey, two outstanding critics of international capitalism who argue that the crisis of 2008 is one in a sequence endemic to capitalism as an economic system with a growing reach. For Arrighi and Harvey, economic crises are not simply recursive, they are also directional: capitalism is evolving, and thereby transforming the world economy in salubrious and not so salubrious ways.

This time is different

But first, I consider what is perhaps the most rigorous and durable effort by orthodox neoclassical economists to understand 2008 by normalising it. That is Carmen Reinhart and Kenneth Rogoff's *This time is different: eight centuries of financial folly* (2009). As the title implies, they argue that this crisis is another of a series in which financial cautions are thrown to the winds, and the return is financial chaos. Like their distinguished predecessor Charles Kindleberger (1996), they refute the notion that each crisis is unique, and embrace his position that people endlessly repeat the mistake that 'this time is different'. Unlike Kindleberger, they stop short of a psychological final cause, in his case speculative manias that create asset bubbles, though they (2009: 292) do express their perplexity that 'the ability of governments and investors to delude themselves, giving rise to periodic bouts of euphoria that usually end in tears, seems to have remained a constant'.

In contrast with Kindleberger's anecdotal account, Reinhart and Rogoff have compiled data that allow them to standardise more than the presence of greed and fear, by analysing the structural factors whereby crises arise and resolve. That said, underlying their model is one grand reduction, made evident on the opening page: 'If there is one common theme to the vast range of crises we consider in this book, it is that excessive debt accumulation, whether it be by the government, banks, corporations, or consumers, often poses greater systemic risks than it seems during a boom' (2009: xxv).

Reinhart and Rogoff's achievement is impressive. They have scrupulously analysed data going back to the Medici and present the results with extraordinary clarity and precision. In their richness and complexity, all the cases come to one big thing: a little debt is good for maintaining market equilibria, but big debt is toxic because it eventually devalues transactions and ultimately wealth itself. And big debtors default. For instance, governments routinely default, either by renouncing their debts *in toto*, devaluing their debts by devaluing the currency or effectively stealing taxpayer money by forcing banks to buy government debt as security against depositors' claims.

Defaults not only devalue the capital stock, but lenders stop lending and the economy freezes up; ugly sights all in evidence since 2008. Big countries export their crises abroad and, because of increased international economic integration, trigger crises in the very sectors that ignited their national crises in the first place. The 2008 crisis afflicted banks, housing markets and sovereign states overextended and awash in debt in many parts of the world, even if the US domestic housing market proved the step-off.

Reinhart and Rogoff's account is salutary in many important respects. First, they succeed in showing that economic crises are common and undesirable. Second, they show that crises are ubiquitous: Northern countries ('developed' in their terms) make a mess of things just as much as the Southern ('developing'). In fact, though economic crises are more frequent earlier in every nation's history, no country ever appears to escape them, as Japan and now the US and the UK have obligingly shown. Third, they demonstrate that economic crises trigger debt avalanches on countries because tax revenues fall sharply and recover more slowly than does the general economy.

Yet Reinhart and Rogoff's devotion to standard macroeconomic theory does expose them to some serious difficulties. First, the microeconomic aspects of the crisis of 2008 are stripped out of the explanation, save perhaps for reference to the housing bubble as the proximate cause. They 'follow the money', a good strategy in these days of strident ideological analysis, but in this case the resort to macroeconomic national accounts succeeds all too well in making every crisis look, save dimensions, like every other. This seems unhelpful for figuring out how to get out of crises. If the 2008 crisis, for instance, had been a sharp inventory recession, then putting money in people's hands would have been appropriate to restore effective demand. If, instead, it were financial, as it was, then credit and job creation are key to keep demand and employment from shrinking. It seems intuitively correct that incurring debt for a general tax cut is very different from incurring it to pay unemployed workers'

salaries, akin to the difference between current expense and capital budgets.

Second, they tend to neglect the differential consequences of economic crises on populations. Financial crises have different social effects. The 'dot-com' speculative craze and stock market crash that brought on the deep recession of 2000–01, for instance, laid millions of middle-class stockholders low and did generate general unemployment. However, the 2008 crisis appears much more devastating for the poor, working and lower-middle classes, as they were clobbered by both high unemployment and housing losses, including mass evictions, as well as by massive damage to their pension savings.

Finally, Reinhart and Rogoff treat each crisis as a discrete event, and thus do not explore the possibility that crises are related. Given that economists believe that economies are self-regulating and that their observations are law-like, this stance is not surprising. Even the centre-left economists Krugman and Stiglitz stick pretty close to home. Krugman (2009: 155), for instance, will only go as far as to say that 'all financial crises tend to bear a family resemblance to one another', hardly a causal chain. Stiglitz (2010) excoriates American policy makers and bankers for their hypocrisy in doing in that crisis exactly what they punished Asians and Latin Americans for doing before them, as well as for their bloody-minded inability to escape their own self-created ideological hell. But his never-say-die devotion to free markets, albeit freed from boodlers and sharks, leaves him with little to do except moralise about the lack of cumulative learning among economists and policy makers as the world careens from crisis to crisis. Appropriately, Milberg (2009) provides a devastating insider's account of the cosy intellectual world that contemporary neoclassical economists have created, and inadvertently provides the clues to why, as Elizabeth II indignantly wondered aloud, virtually none of them saw the crisis coming.

Thus, the notion that capitalism, as the dominant economic system of the age, produces related crises is still almost exclusively a contention of the left. Crises for the left are both endemic and developmental in capitalism. I have chosen to explore the views of Giovanni Arrighi and David Harvey because I think they present the most cogent and useful accounts of how capitalism creates crises *ad seriatim*.

Giovanni Arrighi

And so we move from the statics of neoclassical economics to the dynamics of historical materialism. Arrighi, who died in 2009, created an elegant general theory of how capitalists have striven historically to combat intense competitive pressures by maximising profits where they can through price,

state monopoly and military protection. When profits decline, or better opportunities present themselves elsewhere, capitalists abandon what they are doing, gather up their capital, turn it into money and leave whatever is left to the fates or to the used-capital dealers to sweep up and re-sell. With their money, they invest in new product lines at home or abroad, speculate for higher returns in finance rather than in production, or become *rentiers* and conspicuous consumers (Arrighi 2009 [1994]).

For Arrighi, overproduction is the crux of capitalist crisis: it triggers all of the rest. It is predictable and recursive. Add history and the inequality created by the capitalist labour process, and the theory acquires geography, agency and direction. In each turn of the screw, someone in some place is winning, and someone else is losing. Crises drive wars, as well as wars by other means. A series of hegemonic powers (from Italy to the Netherlands, the Dutch to the English, Britain to the United States, and presumably the US to China) take their turn at world rule, only to be toppled by a newcomer with greater size, power and imperial reach. Looking backwards, Arrighi posits that each hegemon's decline is marked by a signal crisis, when the great power's capitalists pull up their productive stakes and start financial gambling, and a terminal crisis, the crash that sweeps away the capitalists' winnings, both real and fictive, and speeds the hegemon's irreversible decline. Though Arrighi (2009 [1994]: 90) identified the combined economic and political crises of 1968 as the signal crisis of American hegemony, he later admitted surprise at how the American neoliberal counter-attack succeeded in forestalling decline. He believed that the conjuncture of the 2000–01 dot-com crisis with US involvement in quagmires in both Afghanistan and Iraq constituted the terminal crisis for US hegemony (Arrighi 2009 [1994]: 357–88).

For Arrighi, it is important to underscore that history is going somewhere, capitalism's history especially. So, for instance, he suffered significant criticism after the publication of *Adam Smith in Beijing* (2007), for offering the view that China might provide the world with a new, possibly progressive, hegemonic synthesis (Chan 2010; Myers 2009; Robinson 2008). As China subordinates capitalism to a socialist will, so Arrighi believed that it could provide with world-historical finality the famous 'third way' (my phrase, not Arrighi's, or Tony Blair's) between capitalism and state socialism that Western social democracy ultimately failed to deliver. To be sure, China will deal from a position of power, but its hegemony, Arrighi believed, could be based less on the violence characteristic of the Western hegemons and more on the mix of cooperation and tribute that marked China's relations with the rest of Asia before its decline under Western imperialism in the nineteenth century.

David Harvey

Having taken Arrighi's views to their utopian limits, it is fitting that we take up Harvey's rather more robust appreciation of capitalist crises. If Arrighi provides a telos for capitalism, or at least a finite set of possibilities for future capitalist development, Harvey's accounts of capitalism's historical trajectory are much more uncertain. For him, conflicts and crisis are normal occurrences in capitalism, the results of basic contradictions and their consequences that arise in the inhumane appropriation of one person's labour by another.

Harvey's model of capitalism relies upon a strong set of initial conditions, beginning with the antagonistic contradiction between the forces and relations of production, which, when set in place and time, cannot but help create as many barriers to accumulation as it overcomes. His theory is both structural and dialectical: any action within the capitalist totality triggers contradictions among all its elements; shifts in any of the multiple strands of antagonisms between capital and labour, to take one crucial instance, produce shifts in all others. The new totality, the actual state of play of capitalism at any given moment, embodies these structural relations and their antagonisms in new and unexpected ways. Thus, one might have hunches because fundamental contradictions over human labour and the surplus it produces recur, but prediction is a bridge too far. Rather, reading backwards historically enables us to construct a provisional account of what is happening now (Harvey 2006 [1982]).

Harvey believes, as was said of American slavery, that capitalism must either grow or die. Converting commodities into capital, into money and social power, provides capitalists with their share of joy but also of foreboding and heartbreak, for they must risk their capital again in investment to realise their gains. Struggles with workers, state meddling and the mendacious machinations of their fellow capitalists ignite battle after battle, and these battles trigger crises that sometimes threaten, but always change the operation of, capitalism itself (Harvey 2010).

For the story of what happened in 2008, Harvey returns to the middle of the 1970s, when the 'golden age' of rising prosperity in the West after the Second World War collapsed. His first exploration of the 1970s crisis is laid out in *The condition of postmodernity* (1989), one of the most cited monographs in social science in the past twenty years. With the world increasingly its oyster, big capital no longer saw the need to produce in the high-rent districts of the North, and demanded concessions from workers when it did. The outflow of investment to the South, the exploitation of low-paid labour there, the retention of profits abroad and the massive market of dollars now rushing around the world, created an era of financial speculation.

The crises created since the 1970s by the juggernaut bear more than Krugman's 'family resemblance': they are related and successive crises. Since the 1970s, in the world scheme of things, the capital classes have taken too much rope and risk hanging themselves on the problem of the mass under-consumption that lies at the base of their success. And, to extend the metaphor, the state pushing on the string of endless cheap money, as Keynes aptly noted, will not restore effective demand or trigger new investments. Harvey believes, then, that the boom–bust cycles of capitalism are both its past and a theoretical prologue to its future. For him (Harvey 2010), this much is secure, even if new crises are novel events with unforeseen consequences.

The critique from the left

The labours of Arrighi and Harvey provide an arresting critique of the standard economic theory of capitalism. There are, of course, weak points. One is a 'will to determinism', their desire to show that each crisis signifies something new, immanent in capitalism's historical trajectory. Obviously, Arrighi's iron-clad theory of hegemonic rise and decline, his hopes for a Hegelian synthesis of socialism and capitalism in a new Chinese epoch and his self-acknowledged failure to identify the significance of the crash of the 1970s correctly, all this might curtail one's enthusiasm for the satisfactions of an 'overdetermined' general theory of capitalism. Were he here, I am sure he would agree that there are times when an inventory recession is just an inventory recession and not the makings of an upset of the world economic order.

From this vantage point, Harvey provides a more open reading of the future. But he is insistent that capitalism's steady production of surplus propels capitalists into hazardous expansions, either horizontally across space, or vertically (at least figuratively) via financialisation. One or both are necessary to transform surpluses into capital, and thus into the value that capitalists value.

But what if capitalists no longer made their surplus? What if they were caught in a bottomless cascade of devaluation that not only denies them the ability to realise new capital through investment but also destroys their existing capital stock? Harvey, like Arrighi, introduces politics to rectify what capitalism economically cannot, by highlighting how a hegemonic state can wield military power to extract wealth from the weak both at home and abroad. Accumulation by dispossession, Harvey's conceptual re-deployment of primitive accumulation as a recursive strategy in capital's advances, often involves capital benefiting from the exercise of state power to take wealth and resources away from others, or to strip the working and middle classes of social protections (Harvey 2003). For

Arrighi (2009 [1994]), hegemons typically abjure sticking to accumulation via capital, and seek ways to exact tribute from subordinate states for the cost of protecting them from rival states that, not incidentally, want to get in on the protection racket too.

Thus the political economists of the left can outflank standard-theory economists by returning to the possibilities of simple ‘smash and grab’, something only Stiglitz actively contemplates, in his account of the looting of Asian economies during the financial crisis of 1997–98. Indeed, it is the willy-nilly quality of smash-and-grab, or of highly contingent, opportunistic forms of exploitation, that Harvey deploys to loosen the noose of theoretical overdetermination.

Two crises: what anthropology learned about the 1970s, and what can be learned about 2008

It could be said that Eric Wolf’s (1982) *Europe and the people without history* provided the key theoretical platform for the anthropological analysis of the rise of capitalism on a global scale. Crisis figures only obliquely in his account, until the Great Depression that began in 1873 and persisted for over twenty years. In explaining capitalism’s global dimensions, Wolf embraced the writings on imperialism of Lenin and Rosa Luxemburg, arguing that modern industrial capitalism was prone to overproduction that undermined the capitalists’ attempts to realise profits. Although Wolf influenced many anthropologists interested in understanding the history and impact of global capitalism on local societies, as well as the capacities of non-Western populations to resist subjugation, his inspiration in the study of the 1970s crisis and beyond has been limited to argument by analogy.

That said, the economic crisis of the 1970s drove anthropological research on economies in interesting ways. The massive industrialisation of the South and the deindustrialisation of the North were thoroughly investigated, separately and as reflexes of each other. Greater profits through lower wages, and the exploitation of vulnerable workers such as women and children, often via export processing zones, was taken as the motive. Lesser importance was placed on capital’s desire to tap local consumer markets, a feature of capital flows that would become more obvious in the case of transnational corporate investments in China (Blim 1990; Nash 1981). Incisive gender analysis created theories of labour exploitation both in a variety of workplaces and at home, expertly annotated by Mills (2003). Deindustrialisation became a narrative *per se*, especially in the burgeoning literature on social life in the United States, primarily because large firms would bargain for concessions with Northern regions and workers for the production they did not (re)locate in the South (Griffith 1993; Nash 1989;

Newman 1985; Pappas 1989). Scholars also explored the degree to which regional manufacturing and research-oriented economies based on small and medium-sized enterprises could stanch the North's grievous economic bleeding and provide a remedy to the crisis with low social cost (Benton 1990; Blim 1990; Buechler and Buechler 1992; Rothstein and Blim 1992).

These important undertakings largely confined themselves to the effects of capital transfer, rather than analysing the explosion of the global phenomenon of foot-loose capital that facilitated them. After all, regardless of one's theoretical orientation, capital redeployment for greater profits was a given, and simply presumed rational. The great speculative phase itself, of which the redeployment was a part, was largely ignored.

Anthropologists managed to catch up with the speculative mania via their analysis of the debt crises of the 1980s and 1990s in the South, and the international-organisation punitive expeditions outfitted by the North to get back their banks' money. Sovereign debt crises in Central and South America, the Caribbean and Africa in the 1980s and in Eastern Europe in the 1990s, as well as the Asian financial crisis of 1997–98 and the consequent structural-adjustment agreements, created deeper levels of human suffering among peoples affected by them. Anthropology became engaged in description and analysis of the consequences of this succession of economic crises and embraced the general theory of neoliberalism as its cover term for the externalities that preyed on and degraded the local environments they studied. June Nash, instrumental in introducing world-systems analysis and dependency theory to anthropology earlier (Nash 1981; see Eades chap. 2, *supra*), utilised longitudinal research from field sites in Mexico, Bolivia and the United States, to argue that the debt crises had triggered subsistence crises through the world, North and South (Nash 1994). Edelman (1990), in analysing the impact of the first International Monetary Fund structural-adjustment programme (SAP) in Costa Rica, wondered why anthropologists were ignoring this knife's edge of globalisation in poor countries. Robotham (1998) obliged, by placing the Caribbean SAPs within the context of the region's 500-year involvement with capitalism and colonialism, identifying it as neocolonialism by another name. Gledhill (1998) and Rothstein (1999) showed how structural-adjustment policy was commingled with trade liberalisation to create a particularly deadly economic climate in crisis-torn Mexico.

By the new millennium, anthropologists had begun to study the world of finance (Maurer 2005, chap. 11, *supra*), so instrumental in half a century of economic crises. Institutional studies have led the way, as anthropologists have taken us inside stock, option and money markets, the floating 'communities' in what Castells (1996) called 'the space of

flows'. The highly embedded and ephemeral quality of these economic worlds has made the theoretical provocation of virtualism a highly useful heuristic for understanding how they work (Carrier and Miller 1998). The capacity of actors to believe that they are bending economic patterns, a notion the concept of virtualism helps make plausible in analysis, and similar to Soros's (2003) notion of the role of reflexivity in markets, may help explain the existential blindness to risk among the high-stakes gamblers so much discussed in the post mortem of the 2008 panic and its associated economic crisis. Several anthropologists have noted how the financial 'masters of the universe' did indeed seem disoriented when ensconced in the 24-hour trading worlds. Traders got caught up in mind-boggling games with time (Miyazaki 2003), with estimating trading values without paying much attention to the actual calculation of value (Ho 2009; Zaloom 2010), and were easily swept off their feet by transient trading enthusiasms (Hertz 1998).

The crash of 2008 and the subsequent prolonged crisis have also exposed how anthropologists focused on the economic hothouse circuits, though fortunately not with the vigour of many economists, who gave them benedictions, consulted for them and, in some cases, formed the firms whose traces can be found on some of the rubble left behind in 2008. If money has become one of anthropology's new exotics, as Maurer (2006a: 18) quipped, so too has the world of high finance, as Ho (2005) argues in criticising anthropologists and other social scientists for reproducing the grandiose Wall Street visions of a global world as if they were facts. Only a handful stressed the possible dangers to the rest of us that are posed by global traders ignorant of, and perhaps indifferent to, the consequences of their actions (Garsten and Hasselstrom 2003; Kaehler 2009; LiPuma and Lee 2004).

After the 1970s crisis, anthropologists focused on the consequences rather than the causes of global economic transformation (with the exception of Williams 2004). Later on, some did catch up with the story during the succession of continental debt crises, as discussed above. Following 2008, the risk is that both the causes and the consequences will be missed. In the United States, the causal chain for the crisis runs from the boardrooms to the living rooms of millions. It passes through an enabling state and a Congress bribed in everything but name. Neither the mania nor the crash occurred overnight. The housing boom had begun in the middle of the 1990s, banks had transformed themselves into mortgage wholesalers, the new growth business of mortgage brokering took over retail mortgage sales. The federal government and the Federal Reserve ignored predatory lending, despite warnings, and refused to regulate the mortgage-based securities that resulted, again despite warnings (Stiglitz 2010; Zandi 2009).

Economic anthropologists got to the trading pits and banks' back rooms, but ignored the impact of the practices they observed, namely the gambling with other people's money in the derivatives market on the one hand, and on the other the gulling of several million people with so-called 'new' usurious mortgage products, crucial parts of the causal chain that became the crisis. It is also puzzling why anthropologists working in the US, often in urban poor and working-class neighbourhoods – precisely where, as Harvey (1989: 145–6) noted, urban real estate crises had kicked off the US economic crisis of the 1970s – missed the symptoms of trouble brewing once again as early as 2005. A check of anthropological indexes, for instance, reveals little interest in housing, save Maurer's (2006b) exploration of Islamic mortgages in the US. The few citations that exist concern themselves with homelessness and policy planning over the past fifteen years, though new field research among neighbourhoods hit by the mortgage financing crisis is being undertaken (Jefferson 2011). Perhaps our inquiries have become too pointed, too clinical in their interest or too tied to the concerns and effects of the state apparatus itself. Whatever the reason, we ended up missing underlying trends in everyday community life that were as big as the US housing boom and, finally, bubble.

There is something to be said too for returning to more instrumental studies of states, firms, international financial organisation and their interaction. There is nothing particularly opaque or agentless about the 2008 crisis and its causal chain, or about its unfolding consequences. Quite the opposite: the US discovered a love of state-capital *dirigisme* once thought to be a French disease, as did other political regimes throughout the North. Crisis rendered transparent what some argued was once opaque, at least for some. The crisis concentrated the minds and efforts of the capitalist class and revealed Northern states in the highly instrumental terms once ascribed disparagingly to Southern states and crony-patrimonial regimes trading friendship and clique power for superior economic reason (see Kalb and Visser chap. 34, *supra*).

However, the rending of the great curtain concealing the goings-on in the temple of capitalism reveals just how complicated the situation is. The Gramscian hotchpotch that passes for hegemonic coalitions in the Northern states has been thrown into crisis as the actual pain inflicted by economic crisis gets passed around, finding its way to the less fortunate, or simply less powerful. What has happened to people on the North's Main Streets? On its Wall Streets? What social strata have profited from crisis, and what others have not? What will become of indebted state agencies, public institutions, their caretakers, citizens and clients? Will the crisis accelerate the privatisation of public education and other basic public services? What is happening in workplaces throughout the North, said to

be producing more with less labour, perhaps permanently? What kinds of Northern labour markets emerge when employers simply shed whole cohorts of workers of a certain age? What becomes of provisioning, should full-time employment simply disappear? Will the nations of the South really become the beneficiaries of the Northern crisis as Northern insolvency spreads? Will struggles for greater equality and justice in the South be helped or hindered by the crisis and its ramifications? Will their political and capital classes use the crisis to distribute greater welfare, or embrace austerity to protect their rule from ruin by contagion?

These questions are merely illustrative, but they indicate how the world in economic crisis has cracked open, revealing a potential for anthropological research that assimilates, once again, the human needs for economic security, social protection and dignity. It is a world in trouble and demands to be met on its own life-changing terms.

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37 Terms of debate versus words in circulation: some rhetorics of the crisis

Jane I. Guyer

A recurrent observation throughout the period from 2008 to the present, late in the summer of 2010, has been the failure to settle on understandable terms for the current economic crisis and its ripple effects, for debate in the public sphere. On a popular American radio discussion programme, the Diane Rehm Show, participants on 30 August 2010, said: ‘we need a stimulus package under another name, that Republicans will consider’; ‘the Administration has done a terrible job of explaining the stimulus’; and ‘this is a hard case to make in a public debate’.

Evocation of the world in language, the framing of discourse and the processes of persuasion are fundamental anthropological topics, where linguistic and political-cultural anthropology meet. For several hundred years, terms that invoke management of the ‘public purse’ have been central to democratic theory, public discourse and administrative practice. People learned to make economic claims on government as ‘taxpayers’, and to hold it accountable on the basis of facts, ranging from personal experiences to public data to the reports of bodies of experts. The involuntary intricacy of all those practices, developed across changing theories of state and economy (for example, Polanyi 1944) and wars of varying magnitude, keep economic terms in popular use even though they have become blunt or frankly archaic. Terms such as taxes, profit, market, debt, interest, capital, competition, investment and so on, have long been sliced and diced into a coral reef of specificities. Starting around 1980, however, there has been a gradual change in the nexus of terms used to approach and debate public policy and responsibility. The old imagery and concepts of ‘the public purse’ have been replaced by monetarism (Cagan 1989¹) and the monitoring of the money supply as central to long-term growth.

Even without the contemporaneous rise of China, globalisation and the potentials of the internet, this presents a major structural conundrum: the dense history of democracy is actualised in an immovable ‘objective culture’ (Simmel, in Levine 1971: 230) while the leading edges of economic theory and its attendant policies emanate from elsewhere and run along very different terminological and discursive tracks. We should, then, expect that the current financial crisis will produce a crisis in public

culture, a confusion that is not simply a result of ‘dumbing down’ or fragmentation or ‘spin’, one that flashes out into an ether of ungrounded representations. Here, I want to consider the emergent terms themselves, because replacing ‘the public purse’ as central to the ways that people approach government, economy and public engagement, is potentially so profound as to be revolutionary.

After the immediate crisis of September 2008, government leaders focused public attention on the ‘green shoots’ that would signal a return to ‘normalcy’. As I shall explore here, their writings and pronouncements are better seen as straddling multiple rhetorical fences in the face of practical conundra. On the practical side, the personal security that was supposed to be provided by a vigorous market in financial instruments was crumbling for many of those who remained, nevertheless, entitled to speak and vote in the public arena. On the rhetorical side, whatever the merits of monetarism in the spheres its advocates claim expertise in managing, accountability for economic growth is far less useful in public debate than is accountability for the public purse. Its time perspective is very long, its instruments are very technical and its experts are not directly accountable to the public. Monetarist theory is older than the neoliberalism of the closing decades of the twentieth century, with which it is associated. However, by comparison with ‘the public purse’ it is new and almost untried as a medium for public engagement, especially in difficult times.

The current financial crisis is the first major crisis to occur under monetarist ascendancy. Perhaps as a result, many of the terms and forms of public debate about the crisis reflect the more familiar rhetoric of the public purse, and even reinforce it. The result has been an increasing vagueness of referent. ‘The market’, for example, as conceptualised by Adam Smith in the eighteenth century, was based on the demand for the products of specialised skilled labour. The theory was recuperated by Milton Friedman (1976) two hundred years later, this time as a general principle for all things, including Karl Polanyi’s (1944) ‘fictitious commodities’ of land, labour and financial instruments. A sign of this is the way that Wall Street numbers are reported as news of ‘the markets’, meaning not only the established bond, money and stock markets, but the entire and growing spectrum of financial trading (see Carrier 1997).

This concatenation of referents for the market is illustrated by the images Wikipedia uses. Over the past two years, the Wikipedia entry on ‘Market’ has been illustrated prominently by Tiffany’s nineteenth-century painting of a market outside Tangier, a Czech cabbage market, and the present-day vegetable market in Guadalajara. It may be that the economists’ models create a world in which algorithms travel rapidly from one arena to another (Callon et al. 2007), but equally it may be that people

become sceptical of any important correspondence between the strawberry market, the job market and the billionaire financial markets. The algorithms may travel, but the utility of 'market', 'profit' and so on for constructing theory or understanding the world, may be slipping.

Anthropologists might want to, as they might be expected to, trace out the popular, as distinct from expert, processes of terminological imagination. However, the distinction between the popular and the expert is muddled because there are also terms created by experts and intended for popular use. As public policy changes from the public purse to the money supply, these terms poses an acute challenge,² while the practical situation of crisis and pain imposes urgency. To make matters more complicated, one of monetarism's most famous proponents, Friedrich von Hayek (1944: 204), argued that in case of turbulence, government should remain unresponsive to 'the craving for intelligibility'. To secure their best interests in the long term, people should simply 'submit' to markets. But what then happens, especially if the most powerful markets are financial markets?

While this mismatch of monetarist theory and democratic practice is new in Western countries, there are precursors in the experience of structural adjustment in non-Western countries. In the rhetoric of economic debate in Nigeria during the period of structural adjustment and military rule (Guyer 2009), the intelligibility factor shifted over three phases between 1984 and 1998. Starting with participation in lively, old-style public debate of terms such as 'subsidy', official rhetoric moved to calls for collective national identification, and then to a combination of cacophony and silence. As we become aware of an unintelligibility factor in the West, the financial crisis of 2008 demands a similar attention to the terms launched into the public sphere.³

During the past 10 years or so, ethnographic attention has been turning towards the financial sector (see Maurer chap. 11, *supra*), although the domain of popular understanding and political claim has received relatively less of that attention. Holmes and Marcus (2006: 39) depict the operation of capital now as 'fast capital', escaping national political frames by its speed, its experts inventing their own 'semiotics of society intimately linked to the intensity of their own expert practices', while beyond lies the need for 'a semiotics of society interpretable from experience' (2006: 54). Anthropologists are trying to fill this gap (for example, the concept of 'real time' in Riles 2006: 86). However, the expert terms intended for public use can make that task difficult, by producing a gap between the semiotics of expert practice and the semiotics of experience. In this gap, iconic figures have become 'fountainheads' of terminologies and images that they launch into public circulation, as original and persuasive elements. Indeed, the

specific rhetorical advantage of achieving iconic status in the monetarist transition may help account for the proliferation of competitive ranking processes in current society and economy. Iconicity in a ranking order confers unique privileges, such as having one's inventions – conceptual, symbolic, material – taken seriously and passed around (Guyer 2010).

Known by their names and offices rather than their theories, figures such as Alan Greenspan (Chairman of the Federal Reserve Board in the period before the crisis) and Henry Paulson (Secretary of the Treasury at the time of the crisis) present themselves as experts on the new economy and, by virtue of public office, are expected to explain it. Books that they have written for the popular market illustrate the deployment of terms, theories and analysis: by experts, for the public. As I show below, when judged against the standards of conventional debate, these terms, theories and analyses appear incoherent at the very moment of their creation, before they may become fragmented and distorted through circulation. This combination of the incoherent use of old terms and the piecemeal introduction of new ones necessarily shapes and constrains public discussion from the outset, and produces terms and concepts that are so woolly that they can be invoked easily in very different contexts for very different purposes.

Greenspan and Paulson explain the crisis

Epochs and persistent human nature

The book titles tell us succinctly where we are: in *The age of turbulence* (Greenspan) and *On the brink* (Paulson). An era; an event. The era, in Greenspan's (2007: 486) presentation of it, is about 25 years old, characterised by the 'process of financial mediation [which] is a major cause of the overwhelming sense of liquidity that has suffused financial markets for a quarter century'. There has been a 'dramatic rise in liquidity since the early 1980s' (2007: 488). As his subtitle (*adventures in a new world*) suggests, this has been a 'new world', but we (and particularly he) already have experience of it through our various 'adventures' over the past quarter-century. Even though this world is new, markets, capitalism, competition and human nature all continue more or less as before, with a few added features. Markets always adjust, so financial markets will fluctuate, but the outcomes are always beneficial: 'the markets will continue to adjust on a massive scale' (2007: 525). Echoing Hayek, he (2007: 492) says that in the end, and for the good, 'We have no sensible choice other than to let markets work'.

The two new, linked features of markets that are most prominent are turbulence and opacity. As Greenspan (2007: 491) writes, 'markets [are]

rendered inevitably opaque by their increasing complexity. Economic and financial shock will occur . . . Shock will be difficult to anticipate . . . [we] need to be able to absorb shocks'. So turbulence is a function of market growth, and shock falls within its normal range, as long as it can be absorbed. As in fluid mechanics, turbulence can build up and 'cascade', from a 'disturbance in a relatively small segment' of the economy (2007: 508) onto a much wider terrain. Even the crisis is assimilated to turbulence; it only differs in that it was unpredictably sudden, due to opacity. 'Turbulence was surely the word for the rush of financial and economic calamities that have struck' (2007: 508). So, one large burden of explanation should rest on the causes of this amplified turbulence, a condition that is so specific as to depict a whole age of modern markets.

The recurrent theme here, however, is not the 'overwhelming sense of liquidity' that characterises that new world (of which more later), but 'human nature'. This is depicted as a passionate, persistent force, in terms that deviate very far from the narrow 'rational choice' of concurrent microeconomic theory. Let me juxtapose some examples.

1. The passions are important: 'human nature, with its fears and foibles, remains a wild card' (2007: 491); '[i]nbred human propensities to swing from euphoria to fear and back again seem permanent' (2007: 467); '[n]othing has to be happening outside our heads. Value is what people perceive it to be. Hence liquidity can come or go with the appearance of a new idea or fear' (2007: 486).
2. However, the calculus remains: 'the extent to which people are willing to take risks depends on the rewards they think they may gain' (2007: 503). 'Rational risk taking is indispensable to material progress' (2007: 503).
3. Even so, there are failures of intelligence: 'sometimes people take demonstrably stupid risks' (2007: 490).
4. And yet people persist and adapt: 'It is not an accident that human beings persevere and advance in the face of adversity. Adaptation is in our nature' (2007: 506), and yet 'speculative fever breaks on its own' (2007: 522).

So at once we embrace risk and avoid it: 'Rational risk taking is indispensable to material progress' (2007: 503) and yet there is 'innate human risk aversion' (2007: 522). Pointing to this aversion, Paulson (2010: 208) notes, at least with respect to the viability of a company, that 'markets demand absolute certainty'. So certainty and risk are differentially demanded; but whether differentially by sectors, by participants or at different points in time, is unclear. Once asserted, however, this passion-

ate, contradictory human nature helps justify the claim that markets have become too opaque to read accurately, which in turn reduces people's responsibility for outcomes.

We short-circuit analysis, however, if we focus only on the way that the construction of human nature is self-serving. Institutions also figure in the way these men portray markets, but not consistently. The syntax of the following sentence of Greenspan's is particularly revealing of opacity: 'Economic outcomes work largely, but not wholly, through the innate characteristics of people working through the institutions we build to govern the division of labor' (2007: 502). His sentence places the greatest stress on people's 'innate characteristics', relatively little on 'institutions' and even less on the final element, 'the division of labor'. Note also that his wording of that final element is conventional, almost archaic, which is fitting given that he (2007: 494) says that 'the economic product of the United States has become . . . predominantly conceptual'. One is left to infer that there is no relevant labour other than the conceptual, so this 'division' serves simply to exclude the other sorts from theoretical consideration. So what are the rest, the non-conceptual labourers, now doing in light of their economic human nature and in light of their democratic claims?

Concerning democratic engagement, Greenspan focuses more on the difficulty authorities face when they seek to control euphoria (his famous 'irrational exuberance') than on their difficulties in controlling pain or answering anger. Of the former, he (2007: 523) says democracy inhibits action: 'modern democratic societies would [not] tolerate . . . a degree of economic contraction sufficient to nip the budding euphoria'. Of the latter, he (2007: 504) says the market prohibits relief: 'in a globally competitive world there are limits to the size and nature of social safety nets that markets can tolerate'. Taken together, these statements suggest, but do not articulate, a division of labour that would identify all the innate human foibles with the conceptual and innovative side, and the steadyying drag of those intolerable safety nets with the social side.

What Greenspan says is topsy-turvy: foibles are good, safety is bad. The vertigo this might induce among the thoughtful is forestalled by altering the pertinent time horizon, as monetarists often do. In the longer run, the crisis will be 'fully resolved'; it is simply a part of turbulence. Yet Greenspan does not really mean the analytical 'long run' of economic theory. This is apparent in his epilogue, which is devoted to 'the first crisis' of the age of turbulence. There he (2007: 509) says that 'what awaits on the other side is an economic world that we will find very different from the one to which we have grown accustomed', one that seems to emanate from a kind of ethnography of systems or wholes (see Holmes and Marcus 2006): this is an *epochal* shift.

Although he alludes to it only briefly here and there, the ‘new world’ of Greenspan’s subtitle is a movement from ‘value produced by manual labor and natural resources to intangible value-added’ (2007: 492). From the analytic point of view, if nothing is made, if no material is transformed, one might ask whether this is still capitalism at all, or perhaps something requiring a new name, new concepts and new analysis. From the democratic point of view, naive citizens might be wondering how they can make the transition from being the passionate, calculating, intermittently stupid but resilient creatures of persistent human nature, into being dependable sources of conceptual value who might ultimately qualify for the qualities of stability and growth in conceptual value within the new world towards which the era of turbulence ultimately tends. From a human perspective, the conundrum is profound.

It is remarkable how much agency and experience are effaced in Greenspan’s analytical approach. That agency, under the name of freedom of action, is celebrated in the monetarist classic novel, *The fountainhead* (Rand 1943). However, Greenspan is consistently unclear where that freedom or agency emerges, what are its foundations, whether in systems, in transitions or randomly. One consequence is that Greenspan provides no anchor for voluntary human action outside of ‘markets’ as conceptualised by him. In this regard his various referents, whether human nature, the time horizon or the epoch, are alike, for none offers a point where a democratic kind of choice might be made, and so no grounding for political debate.

The view from the immediate ‘brink’

Paulson’s (2010) account focuses on the events of the breaking crisis of 2008, and inevitably on his own ‘intervention’ in the rapidly cascading process. His moment-to-moment narrative, however, also necessarily alludes to a larger historical context and a more encompassing framing of the dynamics at play. Since he and Greenspan subscribe to the same general theory and practice of economics, his account of his own agency offers another perspective on the way in which terms can be unhitched from logical contexts.

Like Greenspan, Paulson expected intermittent turbulence in the financial markets, but following a rather more predictable rhythm. In his (2010: 45) estimation, there is ‘disturbance in the capital markets every four to eight years . . . I was convinced we were due for another disruption’. Unlike Greenspan, Paulson is more concerned with the attributes of knowledge and agency at the centre than in the markets. He (2010: 109) wrote on 16 March 2008: ‘Our markets are resilient, they’re flexible. I’m quite confident we’re going to work our way through this situation’. And

then he (2010: 109) notes that, in retrospect, 'I had no idea of what was coming in just a few months'. Indeed, he asks, in several places and in various terms, 'Why were we so off?' (2010: 66).

Paulson's answer to his own question reflects an assessment he shares with Greenspan, but which he stresses more, that 'the markets became opaque' (2010: 68). At the same time, Paulson personifies 'the market', which 'smelled a corpse' (2010: 180), is 'fragile' and 'fraught' (2010: 191) and 'turned ugly again' (2010: 421). Similarly, he (2010: 425) is relieved that a 'statement did calm the markets' and 'hope[s] the markets settle down' (2010: 435). In contrast, people in the aggregate come up only intermittently, and do so mainly as a danger to this irritable market. Paulson (2010: 233) warns John McCain not 'to use populist language that would inflame the situation', and notes (2010: 259) that he and Ben Bernanke realise 'how the financial crisis could spill into the real economy'. Like Greenspan, however, he (2010: 277) does intimate some epochal change behind all this cyclical churning: 'The Wall Street I knew had come to an end'.

So even in the same domain, the same situation and under the same theoretical umbrella, different terminological landmarks emerge in the writing of these two men. Moreover, where they agree on the salience of an idea, they can disagree about causes and consequences. They agree that markets are opaque and that there has been an epochal change, especially in liquidity. However, neither man connects the opacity and liquidity explicitly to each other, nor considers the implications of their connection for 'capitalism' and for democratic communication. Recall that Greenspan, having written that the situation might be epochal, interprets turbulence as a function of permanent qualities and aggregate human nature, and says that markets are always the source of stabilisation. Paulson, by contrast, sees market fluctuations as structurally predictable, maintained within limits by human intervention. Not only do they differ about the nature of turbulence and the sources of stability, they present no coherent consideration of the relationship between structure and human agency in markets. Both do use the concept of system, but neither identifies any of its properties. We are given nothing much more than a vague invocation of 'capitalism'. As I said, then, Greenspan and Paulson may agree that markets have become opaque, but offer no sustained consideration of why this happened or what it means. Consequently, they offer no grounds on which to base public debate.

Opacity is not, of course, the only notion common to these two books. They also refer to the systemic properties of 'stability', 'liquidity' and 'flaws'. However, Greenspan and Paulson use these inconsistently, but generally in ways alien to popular experience. I searched these books in

vain for one other structural rupture that appears regularly in the press coverage of the crisis, the break between Wall St and Main St, between the financial and the 'real' economy. By October, 2010, it was clear that large corporations and Wall St were using the artificially low interest rates and the TARP stimulus to re-finance their debt and strengthen their capital reserves. They were, then, making use of the low interest rates that worked to the disadvantage of Main St savers, and were doing so in a way that did nothing to increase the money loaned to Main St businesses. The novelty of this schizmogenic process (see Bateson 1936) – a new kind of economy? – is denied by calling the liquid assets of both Main St and Wall St 'capital', by considering interest rates to work uniformly, and by implying that a *sauve-qui-peut* self-interest is pan-human.

Terms of engagement across system divides

The concepts these men invoke are labile, the systemic attributes to which they refer vary, the systems themselves are opaque. It should come as no surprise, then, that when Greenspan and Paulson invoke them, they seem to float indeterminately in a kind of conversational ether.

Stability The primary referent of stability becomes fairly clear to an attentive reader of these two books. It refers to price conditions, particularly in financial markets. Consider, for instance, Greenspan's (2007: 517) observation that, after certain events occur, 'stabilization of the prices of homes and home equity will follow. In other words, the market will finally determine what the value [of houses] is'. The stability at issue is not an attribute of the demand by people for houses to live in, but of the demand for the equity value contained in mortgage securities within financial markets.

I have said that the market at issue is the financial market, Wall St rather than Main St. Often these authors do not, in fact, indicate what market they mean. Rather, the referent emerges through the text. For example, Greenspan (2007: 514) is clear that financial markets are a major component in the demand for real assets: 'Unsophisticated passive depositors are a fading breed . . . so bank shareholders want the banks to draw on investors'. In fact it becomes clear that asset demand in financial markets trumps popular demand in consumer markets.

It is not, however, clear if the conditions of 'stability' work similarly in both markets, if they have the same implications for participants, and whether Greenspan thinks much about the difference. So, when he (2007: 503) asserts that 'the extent to which people are willing to take risks depends on the rewards they think they may gain', does he think that this applies equally to people who buy their homes and to people who trade in the securities based on their mortgages?

Equally, these two men seem unaware that the timeframe of stability that they consider has different implications in the two sorts of markets. Only once does Paulson (2010: 259) seem aware that trouble in the real economy in the short term can lead to unemployment and bankruptcy. For Greenspan (2007: 505), the timeframe for that economy is the very long run: 'The Enlightenment's legacy of individual rights and economic freedom has unleashed billions of people to pursue the imperatives of their nature – to work toward better lives for themselves and their families'.

It is not clear, then, what 'stability' refers to, a lack of clarity that may be one characteristic of the terms that icons can launch into circulation. Does it refer to price conditions in the markets for assets and securities, or in the markets constituted by consumers and users? In common circulation, then, a concept like 'stability' is vague, ambiguous, effectively stripped of any referent worthy of the name. Thus stripped of meaning, different sets of people can pick up such concepts, interpret them from their own perspective and invoke them in their own ways, without fear of contradiction. After all, if a term has no agreed referent, no one can be convicted of using it wrongly.

Liquidity Liquidity is an erstwhile-technical concept to which Greenspan and Paulson can provide a guide. In many of the Third-World countries where anthropologists have conventionally worked, official concern tended to focus on excess liquidity.⁴ In the talk about the crisis, we were told that there had been both too little and too much liquidity, albeit at different times.

Greenspan (2007: 488) is clear that there was a 'dramatic rise in liquidity since the early 1980s'. As an instance of this, he (2007: 488) says that 'the New York stock exchange . . . trading volume has risen from several million shares a day in 1950s to nearly 2 billion shares a day in recent years'. The cause appears to lie in 'the process of financial mediation' (2007: 496). Put in simpler terms, the creation of money by financial institutions outside the control of the state or the central bank has been accelerating sharply, especially through the process of securitisation. In their classic, thousand-year history of interest rates, Homer and Sylla (1998: vi) describe the growth of the money supply since 1980 as 'vertiginous'. It would appear to have multiplied by a factor of four over the 30 years of Greenspan's 'dramatic rise', a growth that raises questions about the ability of monetarist theory to understand the functioning of all aspects of economies – real and financial, Wall St and Main St – over the past three decades.

The fluid idiom of money sloshing around the system is obvious. The analysis is not. In our two texts, this growth in liquidity is assimilated to

essential and timeless functions of markets that produce flexibility and growth. There is no mention of the less desirable aspects of markets and the people who trade in them, such as turbulence and human foibles. There is no mention of historical context, such as the radical institutional change that occurred from the 1980s onwards. Indeed, the exceptionality of financial markets is denied, at least rhetorically. Greenspan (2007: 489), for instance, say that the rise in liquidity since the 1980s was driven in part by hedge funds and other firms operating in the financial markets adapting to risk, and that there are simply organisations whose ‘purpose . . . is to make money’. In this linking of hedge funds and liquidity via the mundane, Main St concept of ‘making money’, Greenspan forges a semantic link between the creation of debt and risk-control instruments on the one hand, and on the other personal income growth through work, shrewdness and boldness.

We are left, then, with a financial system that may be opaque but that is populated by ordinary people pursuing the ordinary goal of making money. We are offered no real analysis of how this system got into trouble. Instead of analysis we are presented with an easy image, that of a ‘bubble’, which naturalises the process and roots it in an eternal human propensity: ‘speculative fever breaks on its own’ (Greenspan 2007: 522). These writers leave us with no specificity, no sense of what happened and how, offering us only the platitudes of timeless propensities, universal human motivations and the inexplicable movements of the herd. These authors, one the Chairman of the Federal Reserve and the other the Secretary of the Treasury, can offer nothing much better than Keynes’s (1936: 161–2) invocation of ‘animal spirits’ to explain real market movements before, during and after crisis conditions. Equally, the recent report of the Financial Crisis Enquiry Commission, even while assigning multiple specific locations to what went wrong, apparently falls short of explaining them. A financial reporter, writing on the Commission’s analyses, returns to a version of Greenspan’s own famous ‘irrational exuberance’, to conclude that ‘mass delusions, alas, are part of the human condition, and no report, no matter how scathing, is going to change that’ (Nocera 2011).

This lack of an understanding of specific dynamics appears in another instance of the concept of liquidity, when the Federal Reserve issued money to increase the liquidity in the system, as it did through the bailout. It is quite unclear whether the money was borrowed on international capital markets, issued under the rights of sovereignty or produced indirectly through the issue of credit through financial instruments. All of these generate money, but are very different processes with different implications. This lack of specificity reifies ‘liquidity’. The concept is rendered in ways that strip it from its context in financial institutions and practices, and hence allow it to be launched as a thing in itself.

That raises the question of what that ‘thing’ is. In fact, it seems to mean just ‘money in circulation’. It is a more convenient term than ‘money’, since its opacity deflects the public’s rising suspicion that they no longer understand money at all, nor why they do not have enough of it when billions and trillions are referred to in the media. How does ‘liquidity’, and the other selected and severed elements, fare along the pathways of circulation: like the bobbing and shooting trajectories of a twig on a river, severed from its branch, tree and roots? In the wider press, there is increasing admission that no one knows. For example, Ted Truman, formerly an official in the US Treasury and the Federal Reserve, was quoted in an article in the *Financial Times* (Beattie 2010: 4): ‘Mixing up intervention and monetary policy can be dangerous. Trying to calibrate the extent of intervention is going to be very hard when people don’t really know what they are doing’. Meanwhile, ‘liquidity’ can circulate on its own.

Flaws The last of my concepts is ‘flaw’, and I deal with it more briefly. It necessarily invokes a coherence of some kind that is interrupted. In the crisis rhetoric, no term has been invoked more crucially to depict human error. Greenspan’s famous testimony before Congress on 23 October 2008, conveyed his ‘shocked disbelief’ at the failures of the ‘self-interest’ of the lending institutions, and admitted ‘a flaw’ in his own thinking as well. Ben Bernanke, presently Chairman of the Federal Reserve, recently told Congress that ‘he had failed to recognize flaws in the financial system that amplified the housing downturn and led to an economic disaster’ (Chan 2010).

Here, ‘flaw’ serves the same mystifying function as ‘stability’ and ‘liquidity’. Like the other concepts, ‘flaw’ presupposes that there is an otherwise-healthy system that mysteriously failed to operate. The mysterious failure of Greenspan and Bernanke lay in their own understandings and was individual. As with ‘liquidity’ and ‘stability’, then, it is stripped of its context, and particularly of the institutional structures and practices that led to it. It, too, becomes a thing in itself, reified, and it floats free of other ideas and terms. It sounds technical, but because it is stripped of context, it is stripped of whatever utility it might have possessed for helping people debate the causes and nature of the crisis.

Circulation vs debate, and after?

Circulation of the sort that I have described with these terms cannot promote what used to be called debate, and not just because of communication techniques or speed or the global reach of markets. Rather, monetarism has escaped the frameworks that were used in the twentieth century to consider economic well-being. The appearance of the new epoch that

Greenspan and Paulson invoke has entailed the appearance and circulation of economic ideas that are treated as timeless and universal, severed from context and free of any notion of an economic system. The circulation of these terms leads to questions.

To begin with, can we discern any signs of something more than temporary assemblages of these shards or fragments of monetary ideas and practices? Do we, that is, begin to see a systematic and meaningful ordering and invocation of these concepts, one that would situate them and endow them with more meaning than they have now? Without debate, what other kinds of frictions (Tsing 2005) between ideas and realities are being produced? If people are confused, how do we study the varieties and processes of confusion (Guyer 2005)? These are topics scholars need to address.

Second, if vortices of 'exuberance' or 'mass delusion' can occur, what is the social and cultural analogue of fluid dynamics within communicative regimes, such that they can produce sudden spiral processes: upward in tornadoes or downward, as the saying goes, in 'circling the drain'?

The last question is, perhaps, the largest. If monetarism is now dominant, is our political-economic system still capitalism? Marx analysed modern capitalism at its very inception, as industrial capitalism. If, as both Greenspan and Paulson suggest, we now live in yet another era, then it appears that the popular, rhetorical terms of 'the financial industry' and 'the investment community' have become simply obfuscating. Even so, this crisis has not yet forced us to cut loose from the terms and concepts that reigned in public debate and democratic politics previously, the terms and concepts of the public purse.

Notes

1. The following quotations from Cagan's article point to the entailments of monetarist theory for policy: 'Monetarism is the view that the quantity of money has a major influence on economic activity . . . and that the objectives of monetary policy are best achieved by targeting the rate of growth of the money supply' (Cagan 1989: 195). The 'demand function for monetary assets is claimed to be stable in the sense that successive residual errors are generally offsetting and do not accumulate' (1989: 199). 'Monetarist thought puts primary emphasis on the long-run consequences of policy actions and procedures. It rejects attempts to reduce short-run fluctuations in interest rates and economic activity . . . as generally inimical to the otherwise achievable goals of long-run price stability and maximum economic growth' (1989: 203).
2. My interest in how administrative-economic models are rhetorically and pragmatically selectively transposed across disjunctures in time and space was first expressed in an article on food regulation in Britain and Nigeria (Guyer 1993). The present situation poses a vastly magnified version of some of the same issues, although the analytics of public culture has improved our understanding of these issues since then.
3. Whether or not the current German approach – an old combination of government austerity, the promotion of skilled employment and export growth through precision engineering – is actually working better than the American approach of stimulus and regulation in the financial sector, it is clear that the German is explainable in familiar

democratic terms, whereas the American has turned out not to be. In fact, I have heard the German methods criticized as mercantilist.

4. Liquidity appeared in the Nigerian rhetoric, when advisers worried about inflation from government printing too much currency. They instituted campaigns to 'mop up excess liquidity'.

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38 The financial crisis and the history of money

Keith Hart

By taking a broader view of money than its current identification with finance, I aim to historicise the present by placing it within a long-term narrative of social development, in the process offering a new explanation for our economic problems. I take the financial crisis to mean the fall of Lehman Brothers in September 2008 with the subsequent attempts of leading governments to stave off economic collapse by printing money to save the banks. Now that their capacity to do so has been almost exhausted, the world is in the grip of a growing sovereign debt crisis and risk of government defaults. Although there is talk of a 'double-dip recession', the world economy has not recovered since 2008 and its future continues to look bleak indeed. This is a turning point. Its denouement may be global depression, world war, fascism or democratic revolution, but eventually the contours of a new era will become clearer. One way of approaching this moment of transition is to ask not what is beginning, but what is ending. This is not straightforward.

World history since 1945 falls into two distinct periods divided by the 1970s (Hann and Hart 2011: chap. 6). In the first, developmental states generated economic growth through extending public services and increasing the purchasing power of ordinary people. The second saw the unfettered expansion of money, markets and communications and a general increase in economic inequality. We may label these periods, respectively, as social democracy and as neoliberal globalisation or one-world capitalism, and the rich benefited from the switch. Some think that the neoliberal paradigm still best describes our world. I believe that free-market economics, as a matter of public ideology rather than academic science, has been holed beneath the waterline by the financial crisis. But the current break in history goes far deeper.

The 1970s were a watershed. US expenditure on its losing war in Vietnam generated huge imbalances in the world's money flows, leading to a breakdown of the fixed exchange-rate system devised at Bretton Woods (Gregory 1997). America's departure from the gold standard in 1971 triggered a free-for-all in world currency markets, leading in 1972 to the invention of money futures in Chicago to stabilise export prices for

Midwestern farmers. The world economy was plunged into depression in 1973 by a hefty rise in the price of oil. ‘Stagflation’ (high unemployment and inflation) increased, opening the way for neo-conservative liberals such as Ronald Reagan and Margaret Thatcher to revive the strategy of giving economic priority to ‘the market’ rather than ‘the state’.

In 1970, all but a minute proportion of the money exchanged internationally paid for goods and services purchased abroad. Three decades later, payments of this kind accounted for only a small fraction of global money transfers, the rest being devoted to exchanging money for money in another form. This rising tide of money represented the apotheosis of financial capitalism, with the production and sale of commodities and the political management of currencies and trade virtually abandoned in favour of feeding an autonomous global circuit of capital. In the process, from having been tied to gold bullion, money quickly became once more a form of virtual credit (Graeber 2011).

We are witnessing the end of the social form that dominated the twentieth century. I call it ‘national capitalism’ and its origins lie in the political and technological revolutions of the 1860s (Hart 2009). Its historical trajectory includes two phases of financial imperialism, from the 1880s to the First World War and from the 1980s to the financial crisis. To understand these, it is important to distinguish between money and finance. Whereas money is a universal system of human communications on a par with language, finance concerns public- and private-sector institutions specialised in the management of money, typically banks. The financial crisis is only superficially a question of credit boom and bust. At bottom it is the unravelling of a social organisation of money that the world has come to live by since its inception a century and a half ago. Even so, we persist in thinking of money as just one thing, national monopoly currency or legal tender. As always, folk models lag behind social realities.

Money in the national community

Money expands the capacity of individuals to stabilise their own personal identity by holding something durable that embodies the desires and wealth of all the other members of society. The modern system of money provides individuals with a vast repertoire of instruments to keep track of their exchanges with the world and to calculate the current balance of their worth in the community. In this sense, money’s chief function is *remembering* (Hart 2000). People learn to understand each other as members of communities, and money is an important vehicle for this. They share meanings (cultural symbols) as a way of achieving their practical purposes together. If wealth were always a marker of identity, then the shift to wealth in the

immaterial form of money, a process accelerated and expanded by the digital revolution, contributes to the growing volatility of identity. Once fixed or 'real' property was dominant as its marker, but this function has now been split between value realised in consumption and hierarchies of value expressed as abstract quantities. Money is intrinsic to both of these. In this way, money defines each of us by articulating relationships between individuals and their communities.

National capitalism is the modern synthesis of the nation-state and industrial capitalism, the institutional attempt to manage money, markets and accumulation through central bureaucracy within a cultural community of national citizens, and its prophet was Hegel in *The philosophy of right* (1967 [1821]). It is linked to the rise of large corporations as the dominant form of capitalist organisation in a bureaucratic revolution late in the nineteenth century. Its main symbol has been a national monopoly currency (central bank money). The nation-state has become the dominant model for thinking about society, and it is hard to imagine society in any other way even though society itself has been leaking across its boundaries for a while now. I identify five ideal types of community, all represented by the nation-state:

- *political community*: our link to the world and a source of law at home;
- *community of place*: territorial boundaries of land and sea;
- *imagined or virtual community*: a constructed cultural identity of citizens;
- *community of interest*: subjective and objective (shared purposes in trade and war); and
- *monetary community*: common use of a national monopoly currency.

The rise and fall of single currencies is one way of approaching national capitalism's historical trajectory.

A framework for studying money

In an early paper that borrowed from Polanyi (2001 [1944]), I (Hart 1986, see also chap. 10, *supra*) identified two strands of Western monetary theory: money as a *token* of authority issued by states and as a *commodity* made by markets. I saw the coin as a metaphor for the two sides of money. One carries the virtual authority of the state; it is a *token* of society, the money of account (*heads*). The other says that money proper is itself a *commodity*, lending precision to trade; it is a real thing (*tails*). The two sides are related to each other as top to bottom; but, rather than acknowledge the interdependence of top-down and bottom-up social organisation

(‘heads *and* tails’), economic policy in the Anglophone countries swings wildly between the two extremes (‘heads *or* tails’).

Money is at the same time an aspect of relations between persons and a thing detached from persons.¹ Anthropologists and sociologists have long rejected the impersonal, detached model of money and markets offered by mainstream economics, even as they long steered clear of studying banks and firms. People everywhere personalise money, bending it to their own purposes through a variety of social instruments. Increasing awareness of this neglected dimension is surely significant, but the economy exists at more inclusive levels than the person, the family or local groups. This is made possible by the impersonality of money and markets, where economists remain largely unchallenged. Money is the principal means for us all to bridge the gap between everyday, personal experience and a society whose wider reaches are impersonal. Money, as a token of society, must be impersonal in order to connect individuals to the universe of relations to which they belong, but people make everything personal, including their relations with society. This two-sided relationship is universal, but highly variable. Impersonal markets have historically undermined traditional social identities and hierarchies, while generating inequalities of their own. Money is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful.

The reality of markets, then, is not just universal abstraction, but this mutual determination of the abstract and the concrete. If you have some money, there is almost no limit to what you can do with it, but, as soon as you buy something, the act of payment lends concrete finality to your choice. Money’s significance thus lies in the synthesis it promotes of impersonal abstraction and personal meaning, objectification and subjectivity, analytical reason and synthetic narrative. Its social power comes from the fluency of its mediation between infinite potential and finite determination. Georg Simmel (1978 [1900]) had something like this in mind when he said that money is the concrete symbol of our human potential to make universal society.

Money and markets, according to Polanyi (2001 [1944]), have their origin in the effort to extend society beyond its local core. He believed that money, like the sovereign states to which it was closely related, was often introduced from outside, and this was what made the institutional attempt to separate economy from politics and naturalise the market as something *internal* to society so subversive. For him, ‘token money’ was designed to facilitate domestic trade, ‘commodity money’ foreign trade; but the two systems often came into conflict. Thus the gold standard sometimes exerted downward pressure on domestic prices, causing deflation

that could be only partially alleviated by central banks expanding the money supply. The tension between the internal and external dimensions of economy often led to serious disorganisation of business. The final collapse of the international gold standard was thus one consequence of the ruinous attempt to separate commodity and token forms of money.

In 'Money objects and money uses', Polanyi (1977 [1964]) approaches money as a semantic system, like language and writing. His main point is that only modern money combines the functions of payment, standard, store and exchange, and this gives it the capacity to sustain those functions through a limited number of 'all-purpose' symbols. Primitive and archaic forms attach the separate functions to different symbolic objects, which should therefore be considered to be 'special-purpose' monies. Here Polanyi is arguing against the idea that money is only a medium of exchange, and in favour of a multi-stranded model of its evolution.

The breakdown of all-purpose money

Polanyi pointed out that the era of national monopoly currencies to which we have grown accustomed is very recent. Before the 1850s the circulation of several currencies within a given territory was normal (Guyer 2004; Kuroda 2008) and it took half a century after the Civil War for the dollar to secure a domestic monopoly in the United States (Zelizer 1994). 'All-purpose money' in the sense of one symbol combining the four functions of exchange, payment, store and standard has been breaking up, ever since the US dollar went off the gold standard in 1971 (Dembinski and Perritaz 2000). One possible explanation for the financial crisis, then, is that it was precipitated by the separation of functions between different types of monetary instruments. The currency wars of today are vivid proof that the world economy has reverted since the break-up of the Bretton Woods system of fixed exchange rates to the plural pattern of competing currencies that was normal before the modern era.

National capitalism has been in decline since the 1970s, but it still dominates popular and, to some extent, professional thinking about the economy. How can we conceive of society as plural rather than singular, as a federated network rather than as a bounded and centralised hierarchy? Before the era of national monopoly currencies, and already for some decades now, multiple currencies have been the norm. Central bank control has been undermined by a shift to money being issued in many forms by a global distributed network of corporations, not just states and banks, as Horacio Ortiz (2009) has demonstrated. The formation of world society as a single social network has been driven by money, markets and telecommunications for several decades (Hart 2009). After a period of convergence of a highly unequal world as a result of Western

imperialism, ours is now a multi-polar, divergent world whose plurality of associations and centres of influence resembles the Medieval period more than anything since. The digital revolution in communications has been transforming money and exchange through a radical cheapening of the cost of transferring information. This has introduced new conditions for engagement with the impersonal economy (Hart 2000).

The apparent triumph of the free market after the Cold War induced two massive blunders based on the illusion that the design of specific political institutions was not an indispensable prerequisite of economic progress. Radical privatisation of Soviet bloc public economies ignored the history of politics, law and social custom that shored up market economies in the West (Durkheim 1960 [1893]). The new European single currency, introduced by the treaty of Maastricht, was to provide the social glue for political union without prior development of effective fiscal institutions or economic convergence between the EU's North and South. This error took longer to be exposed than the first, because it was masked by the credit boom.

The biggest mistake was to replace national currencies with the euro without the necessary institutional change. An alternative, the 'hard *ecu*', would float politically managed national currencies alongside a low-inflation European central bank currency. Countries that did not join the euro, such as Britain and Switzerland, have in practice enjoyed the privileges of this plural option, since they participate in eurozone markets but retain the flexibility of manipulating their own currency. That flexibility is important, because the debt crisis can only be addressed through devaluation, managed defaults and the unpleasant alternatives of deflation and runaway inflation. The first option is denied eurozone countries, with the results we have seen in Greece, Ireland and Portugal. The euro was invented as an expanded single currency *after* money had already broken up into multiple forms and functions. The Americans centralised their currency only after a civil war; the Europeans hoped that centralising theirs would be a means of achieving political union, even though it is difficult to see how a single currency could serve the interests of 300 million Europeans (Hart 2002).

The euro may not be a national currency, but it does aim to be federal, like the US dollar, and the participating countries represent in effect a league of states. Joining a larger currency bloc is a way of trying to cope with 'the markets', the global tide of virtual money that threatens to swamp the independence of national economies. However, the euro is still a form of state money and its management is likely to be even less democratically accountable than its national precursors. The euro is in principle a throwback to the Bretton Woods era of fixed exchange rates; and the

Europeans are paying now for its rigidity. The EU is a community, not a state, and its founding principle of 'subsidiarity' ensures that there is room for many levels of community underneath. There is plenty of scope, therefore, for less inclusive monetary instruments to complement the euro, as long as Europeans can break with the outmoded idea of a national monopoly currency. The tragedy of the euro is that it arrived when money had already broken up into multiple forms and functions. The Europeans hoped for political union as a result of centralising their currency. The present economic crisis has shown how mistaken this aspiration was.

Alternatives to national monopoly currency

The nation-state is such a powerful and enduring social form that, although single currencies have been with us for only a short time, were only partially realised and have been breaking up since the 1970s, it is very hard to dislodge the idea of money as legal tender in a sovereign territory to which its users belong. There are alternatives to national monopoly money in the form of thousands of community and complementary currencies (Blanc 2010), but most people are initially reluctant to embrace new approaches to money (Hart 2006).

The situation is psychologically complex, however. On the one hand, conventional money flatters our sense of self-determination: with some money, we can exert power over the world at will. On the other hand, there is comfort in the notion that money is not in our control at all. As an exogenous force of necessity, it serves, in a manner analogous to number, to promote clarity of judgement and action, whereas otherwise things might be frighteningly wide open. If they issued their own currencies, people would not only be freer, but would have greater responsibilities also. There is a parallel with slavery: the monopoly claimed by national currency is felt to be inevitable, since no one would freely choose it; to be told that there are viable alternatives makes nonsense of a lifetime's enslavement to an unrewarding system. So, we cling to what we know as the only possibility. We often talk about wanting to be free, but we choose the illusion of freedom without its responsibilities. This is perhaps why we prefer money not to be of our own making. People have to be sold the idea of making their own money, and this involves challenging their most cherished beliefs.

One reason it is difficult to persuade people consciously to adopt new ideas is the unconscious use of old models when they form new associations. The nation-state has successfully represented society for a century or more, so that we have internalised its principles and reproduce them whenever we construct new forms of community. It is not surprising that, when people come together to make alternatives to the national economy,

they often replicate it in their design for a new association – as a stand-alone multi-purpose community of like equals rather than, say, as a federated network of unequal social entities (Hart 2006).

A stand-alone community currency is like a radio or TV that can only tune to one station, a computer with just one program.² Supporting trade between people who keep their accounts in different currencies requires some sort of clearing network. This would be operated primarily through the internet, with each community or complementary currency having its own unique domain name. Such a system would be further enhanced by ‘multi-cc’ smart-card systems, which currently can carry up to 15 different currencies at a time, off-line and anonymous, and are designed to make community money systems easily adopted in the retail sector. The card system allows participating businesses to have their own loyalty loops if they choose. Of course, coordination is difficult when there is no one body concerned with establishing standards. In order to provide a genuine alternative to national monopoly money, community currencies should mimic what mainstream money has already become, a multitude of monetary instruments issued by a distributed network of institutions including far more than governments and banks.

There is, however, an alternative to plural currencies or to the global distributed network of specialist money instruments that I have described earlier, a single currency divided into compartments by a political authority. Thus, not everyone can use the Chinese *renminbi* for the same purposes and its circulation is restricted in several ways. For example, the ability to purchase shares in domestic stock markets requires a licence, as does participation in foreign markets through Hong Kong banks acting as a port-of-trade. It is conceivable that, if the eurozone broke up, one form this might take would be for France and some of its smaller neighbours to impose controls on foreign exchange and capital flows, in much the same way that France and Italy reintroduced passport controls within the Schengen area in response to the North African crisis. This represents an attempt to return to the 1970s and it probably requires a political economy as large and controlled as China’s to achieve a measure of success. Meanwhile some economists are contemplating a return to capital controls.

The evolution of money today

Simmel (1978 [1900]) argued that money’s substantial form (precious metals, then coins and paper) would wither away and be replaced by social institutions. Its functionality (the ends to which it is put and the technical means of its organisation) would be emancipated from its substance and money’s essence (what people use it for in society) progressively revealed.

Money, according to Simmel, always introduces a third party to bilateral exchange, the community that shares its use. Polanyi, as we have seen, identified the four functions of money conventionally as means of payment, standard of value, store of wealth and medium of exchange. 'All-purpose money' unites these four functions in one symbolic form, 'modern money'. Special-purpose monies and plural currencies were always in circulation before central banks learned how to impose the system of legal tender, and this pluralism is rapidly becoming the case again.

'Financialisation' (Epstein 2005) describes the situation since the 1970s when institutions specialised in money management grew in size and influence while the money circuit became detached from production, trade and political oversight. The digital revolution in communications has vastly accelerated and cheapened electronic transfers, allowing many more institutions specialised in particular monetary instruments to join governments and banks in a distributed network supplying money in multiple forms.

So Simmel's prophecy of the triumph of function over substance has been realised, thanks in part to technical innovations of the last few decades. But if the essence of money is its use within a community with shared social institutions, this too is in bad shape. Central bank currencies helped crucially to define where society and the state are, but this is no longer so. At the same time money has become much harder to define, since it is breaking up. Yet the idea and practice of national money remain strong. Globalisation has stimulated the formation of new supra-national groupings such as the EU and the Association of South East Asian Nations (ASEAN), while two-thirds of the 100 largest economic units on the planet are now corporations, not countries. Digital communications support new forms of commerce and association worldwide. Local currencies have sprung up in their thousands; corporate loyalty systems (for example, air miles) multiply (Blanc 2010).

At one level, the financial crisis of 2008 was the bursting of a credit bubble that took a quarter of a century to build up. The larger states moved to bail out the banks, while promising to rein in their profligacy (split up investment and retail branches, curtail bonuses and so on). But this did not last and the use of financial means to solve intransigent economic problems has left the world on the edge of deeper systemic failure, now manifested as a sovereign debt crisis. Nothing has yet been done to restore consumer demand in the leading Western economies and all of them look vainly to exports as their salvation. In the meantime, the banks and other corporations exploit the plurality of national jurisdictions to ensure that they are not held accountable for their financial recklessness, while seeking to influence supine governments to preserve a political framework favourable to them.

When it comes to money, one size does not fit all and it never has. But the national moment in history established the illusion that it could. The Europeans adopted a single currency before they had established the political and fiscal conditions for its survival and at a time when all-purpose money was breaking up. If Simmel was right, if money, having lost its anchorage in substance, must be shored up by a community's social institutions, there will have to be as many monies as there are communities. The digital revolution has begun to make that technically feasible. But there is clearly a contradiction between the technical possibilities for organising money today and the idea of society as a closed hierarchical community rather than as a decentralised egalitarian network. Society has escaped from its former home and has not yet found another one. The infrastructure of money has already become decentralised and global, and attempts to squeeze it back into a national straitjacket can only lead to international breakdown, at best economic depression, at worst world war.

Money in the making of world society

It is no longer obvious where the levers of democratic power are to be located, since the global explosion of money, markets and telecommunications has exposed the limitations of national frameworks of economic management. A return to the national solutions of the 1930s is bound to fail. We seem to be aware of the lessons of the 1930s, but are pushed by the cultural logic of national capitalism into repeating the same mistakes. There are substantial parallels between the last three decades and the similar period before 1914. In both cases, market forces were unleashed within national societies, leading to rapid capital accumulation and an intensification of economic inequality. Finance capital led the internationalisation of economic relations and people migrated in large numbers all over the world. Money seemed to be the dominant social force in human affairs, and this could be attributed first to its greater freedom of movement as the boundaries of society were extended outwards, then to colonial empire, now to the digital revolution and transnational corporations. The main difference is that the late nineteenth century saw the centralisation of politics and production in a bureaucratic revolution, while now public bureaucracies are being dismantled by neoliberal globalisation.

I have suggested that money has reverted to a plural form where specialised monetary instruments are now issued by a distributed network of disparate organisations that go far beyond just governments and the main banks. The functions of exchange, store, standard and payment are now performed by money instruments that few people understand. The history of credit default swaps, for example, and AIG's undercapitalised role in

insuring banks against loss was only revealed after the financial crisis broke. This case highlights how inadequate government regulatory pressure is when the money force has escaped its national bounds. Yet politics is a dialogue of the deaf, between those who deny the need for political regulation of markets and others who remain trapped in the outmoded discourse of central bank money. I do not know how this impasse can be transcended.

Reversion to national protectionism would be a disaster, but social thinkers are not yet offering a more inclusive alternative. The idea of world society is still perceived by most people as at best a utopian fantasy or at worst a threat to us all. We need, however, to build an infrastructure of money adequate to humanity's common needs. One response in this direction goes by the name of the 'alter-globalisation' movement (Pleyers 2010). This is a loose network of initiatives seeking to coordinate global development from below. The idea of a 'human economy' (Hart et al. 2010) may offer a bridge to that movement for progressive anthropologists.

Economic anthropology after the financial crisis

The world's trajectory has been extremely uncertain since 2008. No one knows what the likely outcome will be, but one certain victim of the crisis has been free-market economics. It is impossible any more to hold that economies will prosper only if markets are freed from political bondage. Neoliberalism has not yet been defeated, but the conditions for proposing alternative approaches to the economy are much more favourable than before. After several decades when the idea of self-regulating markets seemed unassailable, even eternal, everyone now knows how precarious the world economy really is. There have always been heterodox currents within economics, but this development has opened up a new space for an economic anthropology with a critical agenda.

The idea of economy started out as a Greek principle of rural household management (Hann and Hart 2011: chap. 2). This remained its prime referent for as long as the world was dominated by agrarian civilisations. In the last two centuries, since the Industrial Revolution, a liberal successor emerged, intended to rationalise markets that were pulling a rapidly urbanising world into ever closer association. The focus of world society now seems to be moving inexorably back to where most of the people are: Asia. Economic anthropology has the potential to offer a disciplined approach to questions of overwhelming significance for our species's stewardship of the planet, but its Western roots must be cross-fertilised with other intellectual traditions if it is to fulfil its global mission and contribute to a more inclusive human future. A critical engagement with global history is essential, since what is at stake is a world economy that works for

everyone and not just a few. Seen in this light, economic anthropology's effort in the twentieth century to match the findings of exotic ethnography to a narrow utilitarian creed was bound to fail. Both the anthropology and the economics were inadequate to our common human purposes. We are still struggling to break out of that straitjacket.

Economy might be seen as a local political order based initially on the 'house' and extended into the world through the 'market'. Polanyi linked the internal and external dimensions of economy through conceiving of money both as token and commodity; I have found that fruitful in seeking to understand the world economy today. That economy is a human economy (Hart et al. 2010). Why 'human'? Because the focus of economic anthropology should be on what people actually do and think; economic action is directed towards the well-being of whole persons and communities, not some mechanical and one-sided individualism. Emphasis should be on the local particulars of economic institutions in all their variety and on some attempt to consider the human condition as a whole. In the end, everyone should feel 'at home' in a world that has been made by markets, but we cannot survive on the basis of market economy alone.

Now that we are more used to working in the capitalist heartlands, economic anthropologists must still maintain the comprehensive geographical range of our knowledge. If some anthropologists have focused on commerce *sui generis* with its own specialist middle-men and advertising agencies, others have shown that modern corporations have gone far beyond such specialised compartments in their drive to control all stages of the economic process, from research and development, through production, regulation, distribution and marketing to household consumption (for example, Applbaum 2004). An economic anthropology that limits itself to ethnographic studies of stockbrokers or traders will never grasp this level of humanity's shared economic predicament.

Acknowledgement

Thanks to Diane Coyle (for example, 2007) for providing a sensitive economist's check on my wilder generalisations.

Notes

1. David Graeber, in his pathbreaking new volume (2011), takes the contrast between credit money (its original form) and currency (notably bullion) as the basis for a wide-ranging analysis of world history over the last 5,000 years.
2. I learned most about the potential of community currencies from Michael Linton and his associates in 2000–02. See <http://www.openmoney.org/>.

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